

**HERSHEY** 



# GOODNESS IN ACTION

2020 GRI REPORT



# 2020 GRI REPORT

The data in this report relates to the period from January to December 2020, unless otherwise stated. For a detailed explanation of the indicators, visit the GRI website: [globalreporting.org](https://www.globalreporting.org). This content report accompanies our [2020 Sustainability Report](#) and has been prepared in accordance with the Global Reporting Initiative (GRI) Standards: Comprehensive option. All standards are the 2016 version unless otherwise noted. Based on the revised 2020 materiality assessment, Hershey's is now reporting on GRI 304: Biodiversity 2016.



| GRI Standard               | Reference                  | GRI Disclosure   | 2020 Hershey Response   |
|----------------------------|----------------------------|--|---|
| <b>General Disclosures</b> |                            |  |   |
| Organizational Profile     | 102-1                      | Name of the organization                                     | The Hershey Company   |
|                            | 102-2                      | Activities, brands, products, and services                   | The Big Picture p. 8<br>Responsible Growth p. 14<br>2020 Form 10-K PDF pp. 3–6<br>We are not aware of any of our products being banned in any markets where we operate and distribute.  |
|                            | 102-3                      | Location of headquarters                                     | 19 East Chocolate Avenue, Hershey, PA 17033   |
|                            | 102-4                      | Location of operations                                       | 2020 Form 10-K PDF pp. 4, 5, 7, 17, 115<br>Responsible Growth: Where We Source Our Ingredients p. 27  |
|                            | 102-5                      | Ownership and legal form                                     | 2020 Form 10-K PDF p. 4   |
|                            | 102-6                      | Markets served   | 2020 Form 10-K PDF pp. 4–8  |
|                            | 102-7                      | Scale of the organization                                    | Our Performance pp. 8–12<br>2020 Form 10-K PDF pp. 4, 8, 21, 25, 54   |
|                            | 102-8                      | Information on employees and other workers                   | Our Performance pp. 8–12<br>2020 Form 10-K PDF p. 8<br>See GRI Appendix 102-8 p. 39<br>We do not have a significant portion of activities performed by workers who are not employees. There are not significant variations in the numbers reported in Disclosures 102-8-a, 102-8-b and 102-8-c. Our Human Resources analytics team manages employment data and is able to calculate these metrics.  |
|                            | 102-9                      | Supply chain   | 2020 Form 10-K PDF pp. 5–6<br>Responsible Growth pp. 18–44  |
|                            | 102-10                     | Significant changes to the organization and its supply chain | 2020 Form 10-K PDF pp. 4–5, 23–25, 63–64  |
|                            | 102-11                     | Precautionary Principle or approach                          | 2020 Proxy Statement: Board Role in Risk Oversight p. 21  |
|                            | 102-12                     | External initiatives   | Hershey is part of the following sustainability-related initiatives: AIM-PROGRESS, Bonsucro, CEO Action for Diversity & Inclusion™, Paradigm for Parity, Ceres Company Network, Cocoa & Forests Initiative, Cocoa Livelihoods Program, Dairy Sustainability Framework, Fair Trade USA, Innovation Center for U.S. Dairy's Sustainability Alliance, International Cocoa Initiative, National Organization on Disability's Look Closer national hiring campaign, People + Work Connect platform, Rainforest Alliance, Responsible Labor Initiative, Roundtable on Sustainable Palm Oil (RSPO), Sustainable Agriculture Initiative (SAI) Platform, United Nations Global Compact and the World Cocoa Foundation. |
| 102-13                     | Membership of associations | See GRI Appendix 102-13 p. 40                                |   |
| Strategy                   | 102-14                     | Statement from senior decision-maker                         | The Big Picture: A Message from Michele Buck p. 5   |
|                            | 102-15                     | Key impacts, risks, and opportunities                        | The Big Picture: A Message from Michele Buck p. 5<br>The Big Picture: Stepping Up in 2020 – Our Response to a Unique Year p. 6<br>Governance and Approach: Materiality p. 15<br>2020 Form 10-K PDF pp. 10–16  |

| GRI Standard         | Reference             | GRI Disclosure   | 2020 Hershey Response  |
|----------------------|-----------------------|--|--|
| Ethics and integrity | 102-16                | Values, principles, standards, and norms of behavior   | <a href="#">Hershey Code of Conduct</a><br><a href="#">Hershey Supplier Code of Conduct</a><br>Governance and Approach: Being a Responsible and Ethical Business p. 14   |
|                      | 102-17                | Mechanisms for advice and concerns about ethics  | Governance and Approach: Being a Responsible and Ethical Business p. 14<br><a href="#">Hershey Code of Conduct</a> p. 8<br><a href="#">Hershey Concern Line</a><br><a href="#">Compliance Complaints</a><br><a href="#">Corporate Governance</a>   |
| Governance           | 102-18                | Governance structure   | Governance and Approach: Being a Responsible and Ethical Business p. 14<br><a href="#">2020 Proxy Statement</a> p. 19<br><a href="#">Corporate Governance</a><br><a href="#">Board of Directors</a><br><a href="#">Committees &amp; Charters</a>   |
|                      | 102-19                | Delegating authority   | Governance and Approach: Being a Responsible and Ethical Business p. 14<br><a href="#">Corporate Governance</a>  |
|                      | 102-20                | Executive-level responsibility for economic, environmental, and social topics  | Governance and Approach: Being a Responsible and Ethical Business p. 14<br>The Chief Supply Chain Officer has overall responsibility for the Sustainability program and is supported by the Vice President of Corporate Communications and Global Sustainability. The Chief Supply Chain Officer reports to the CEO and provides updates to the Board on our sustainability programs.  |
|                      | 102-21                | Consulting stakeholders on economic, environmental, and social topics  | Governance and Approach: Being a Responsible and Ethical Business p. 14<br><a href="#">Proxy Statement, Stockholder and Interested Party Communications with Directors</a> , PDF pp. 16–17<br>Our Board of Directors hears from external stakeholders through our executive management team, or specific stakeholders brief the Board directly. The Sustainability Team, led by the Vice President of Corporate Communications and Global Sustainability, briefs the full Board on ESG issues at minimum once per year and as other topical discussions are needed. Other ESG issues such as discussing our employee engagement survey findings and sourcing activities in West Africa are also separate yearly topics for the full Board. |
|                      | 102-22                | Composition of the highest governance body and its committees  | <a href="#">Proxy Statement, Our Director Nominees Matrix and Governance Highlights</a> PDF p. 2–5<br>Governance and Approach p. 10<br>Our Performance pp. 8–12<br><a href="#">Board of Directors</a>  |
|                      | 102-23                | Chair of the highest governance body   | Michele Buck is the Chairman of the Board, President and Chief Executive Officer for The Hershey Company. Ms. Buck is responsible for all day-to-day global operations and commercial activities of the Company. Having served at the Company for more than 15 years and as an executive in the consumer-packaged goods industry for more than 30 years, Ms. Buck is a valuable contributor to the Board in the areas of marketing, consumer products, strategy, supply chain management and mergers and acquisitions. Her presence in the boardroom also ensures efficient communication between the Board and Company management.<br><a href="#">Board of Directors</a>  |
|                      | 102-24                | Nominating and selecting the highest governance body   | <a href="#">Governance Committee Charter</a><br><a href="#">Corporate Governance Guidelines</a> pp. 2–5<br><a href="#">Proxy Statement, Experience, Skills and Qualifications</a>  |
| 102-25               | Conflicts of interest | <a href="#">Corporate Governance Guidelines</a> pp. 10<br><a href="#">Code of Conduct</a> PDF p. 26<br><a href="#">Related Person Transaction Policy</a> |  |

| GRI Standard | Reference             | GRI Disclosure   | 2020 Hershey Response  |
|--------------|-----------------------|--|--|
| Governance   | 102-26                | Role of highest governance body in setting purpose, values, and strategy   | Governance and Approach: Being a Responsible and Ethical Business p. 14<br><a href="#">Corporate Governance Guidelines</a> pp. 2, 6, 8   |
|              | 102-27                | Collective knowledge of highest governance body  | <a href="#">Corporate Governance Guidelines p. 8, Ongoing Education</a><br>Governance and Approach: Being a Responsible and Ethical Business p. 14.  |
|              | 102-28                | Evaluating the highest governance body's performance   | Members of our Board of Directors were not evaluated with respect to the Shared Goodness Promise strategy in 2020.   |
|              | 102-29                | Identifying and managing economic, environmental, and social impacts   | Governance and Approach: Being a Responsible and Ethical Business p. 14<br>Our materiality and saliency assessments inform our Shared Goodness Promise strategy and include input from external stakeholders. In 2020, we also conducted an ESG Investor Perception study, the results of which were shared with the Executive Committee and Board.<br><a href="#">Corporate Governance Guidelines</a><br><a href="#">TCFD Report</a>  |
|              | 102-30                | Effectiveness of risk management processes   | The Finance & Risk Management Committee reviews Hershey's management of all types of risks including economic, social and environmental.<br><a href="#">Corporate Governance Guidelines</a><br><a href="#">Finance and Risk Management Committee Charter</a>   |
|              | 102-31                | Review of economic, environmental, and social topics   | Governance and Approach: Being a Responsible and Ethical Business p. 14  |
|              | 102-32                | Highest governance body's role in sustainability reporting   | Michele Buck reviews and approves the Shared Goodness Promise Report and the material topics covered.  |
|              | 102-33                | Communicating critical concerns  | Governance and Approach: Being a Responsible and Ethical Business p. 14<br><a href="#">Proxy Statement, Stockholder and Interested Party Communications with Directors</a> p. 17   |
|              | 102-34                | Nature and total number of critical concerns   | In 2020, Hershey recorded four cases that were deemed significant or "critical." The four "critical" concerns were reported to the Ethical Business Practices Committee (EBPC) and the Audit Committee pursuant to our policies and procedures.<br>Compliance concerns are reported through various channels, including but not limited to: Hershey's Concern Line, business partners, HR, Ethics and Compliance, and other parties who have access to either the Concern Line or the Ethics and Compliance department. All concerns are managed and followed closely by the Ethics and Compliance department.<br>Hershey applies severity codes to cases depending on certain parameters such as violation, potential fines and/or involvement of senior leaders. All concerns given a severity code of Red or Orange are considered "critical." Concerns given a Yellow or Green code are considered "not significant." Red and Orange matters are reported to the EBPC and Audit Committee for visibility.<br>Issues reported to the Concern Line cover a wide array of topics, including conflicts of interest, general labor practices, employment-related concerns, potential fraud, security and requests for general advice. |
| 102-35       | Remuneration policies | <a href="#">Corporate Governance Guidelines</a> p. 9<br><a href="#">Proxy Statement, Executive Compensation Highlights</a> p. 6, <a href="#">Non-Employee Director Compensation</a> pp. 34-38, <a href="#">Compensation Discussion and Analysis</a> pp. 46-84<br>The performance criteria in our remuneration policies for the Board of Directors does not currently include objectives for environmental or social topics. Hershey's CEO's yearly performance and compensation encompasses overall Company results, with sustainability-specific KPIs focused on Hershey's climate/greenhouse gas (GHG) metrics and our Packaging Sustainability and Cocoa Sustainability programs. |  |

| GRI Standard           | Reference | GRI Disclosure   | 2020 Hershey Response   |
|------------------------|-----------|--|---|
| Governance             | 102-36    | Process for determining remuneration                   | <a href="#">2020 Proxy Statement</a> Compensation Discussion and Analysis pp. 46–84   |
|                        | 102-37    | Stakeholders' involvement in remuneration              | <a href="#">2020 Proxy Statement</a> Compensation Discussion and Analysis pp. 46–84   |
|                        | 102-38    | Annual total compensation ratio                        | <a href="#">2020 Proxy Statement</a> , CEO Pay Ratio Disclosure, PDF p. 83  |
|                        | 102-39    | Percentage increase in annual total compensation ratio | <a href="#">2020 Proxy Statement</a> Compensation Discussion and Analysis pp. 46–84<br>Omission: Salaries for the highest-paid individual in each country of significant operations outside of US.<br>Reason for Omission: Confidentiality constraints.<br>Explanation of Omission: The salary of the highest-paid individual in each country is confidential. The Hershey Company does not track or measure the highest-paid individual in each country of significant operations to the median percentage increase in annual total compensation for all employees (excluding the highest-paid individual) in the same country.          |
| Stakeholder Engagement | 102-40    | List of stakeholder groups                             | Governance and Approach: Materiality p. 15<br>Employees<br>Consumers<br>Investors<br>Retailers<br>Suppliers and business partners<br>NGOs<br>Communities where we operate<br>Government and policymakers  |
|                        | 102-41    | Collective bargaining agreements                       | <a href="#">2020 Form 10-K</a> PDF p. 8<br>Our People: Supporting Balance & Wellbeing p. 58   |
|                        | 102-42    | Identifying and selecting stakeholders                 | Governance and Approach: Materiality p. 15<br>Responsible Growth: Human Rights Across Our Value Chain p. 23<br>We engage directly and indirectly with many of our stakeholders. We engage with those stakeholders who either have influence or control over our business and/or are impacted by our operations across our value chain either directly or indirectly.  |
|                        | 102-43    | Approach to stakeholder engagement                     | Governance and Approach: Materiality p. 15<br>Responsible Growth: Responsible Sourcing p. 28<br>Responsible Growth: Human Rights Across Our Value Chain p. 23<br>Examples of stakeholder engagement can be found throughout our 2020 Sustainability Report. We engage with stakeholders including partner nonprofit organizations, the Milton Hershey School, customers, investors and member organizations in the development of the report preparation process. This includes collaborating on content and review of materials by partners. External stakeholders are also engaged as part of our materiality and saliency assessments. |
|                        | 102-44    | Key topics and concerns raised                         | The Big Picture: Stepping Up in 2020 – Our Response to a Unique Year p. 6<br>Responsible Growth: Human Rights Across Our Value Chain p. 23<br>Governance and Approach: Materiality p.15   |



| GRI Standard       | Reference | GRI Disclosure   | 2020 Hershey Response   |
|--------------------|-----------|--|---|
| Reporting practice | 102-45    | Entities included in the consolidated financial statements | <a href="#">2020 Form 10-K PDF</a> pp. 4-7  |
|                    | 102-46    | Defining report content and topic Boundaries               | The Big Picture pp. 4-7<br>Governance and Approach: Materiality p. 15<br>GRI Report: Material Issues Across Our Value Chain p. 35   |
|                    | 102-47    | List of material topics                                    | Governance and Approach: Materiality p. 15<br>GRI Report: Material Issues Across Our Value Chain p. 35  |
|                    | 102-48    | Restatements of information                                | During 2020, there have been no corrections or restatements of information given in any of our previous financial reports. Some environmental indicators across our Sustainability Report have been restated from past years as we expand our data-collection abilities to cover more facilities. We have provided footnotes across our disclosures where this occurs.  |
|                    | 102-49    | Changes in reporting                                       | The Big Picture pp. 4-7<br>Governance and Approach: Materiality p. 15<br>GRI Report: Material Issues Across Our Value Chain p. 35<br><br>Hershey conducts its materiality assessment every few years. Our most recent materiality assessment was conducted in 2020. Compared to our 2018 materiality assessment, the 11 most material issues experienced a slight shift; new issues coming into the list included: business operations and supply chain resilience, deforestation and forced labor. Items coming off the top 11 include consumer engagement on sustainability, ecosystems, nutrition ingredients and product transparency. There were also slight modifications to the boundaries of packaging as a material issue – this became packaging and plastics in the 2020 materiality assessment. |
|                    | 102-50    | Reporting period   | This report covers the 2020 calendar year.  |
|                    | 102-51    | Date of most recent report                                 | June 1, 2020  |
|                    | 102-52    | Reporting cycle  | Annual  |
|                    | 102-53    | Contact point for questions regarding the report           | <a href="mailto:sustainability@hersheys.com">sustainability@hersheys.com</a>  |
|                    | 102-54    | Claims of reporting in accordance with the GRI Standards   | About This Report, back cover of Sustainability Report.   |
|                    | 102-55    | GRI content Report   | Hershey 2020 GRI Content Report (this PDF)  |
|                    | 102-56    | External assurance   | We did not receive any external assurance for this report.  |

| GRI Standard                       | Reference | GRI Disclosure   | 2020 Hershey Response   |
|------------------------------------|-----------|--|---|
| <b>Economic Performance</b>        |           |  |   |
| GRI 103: Management Approach 2016  | 103-1     | Explanation of the material topic and its Boundaries                           | <p>Continued global competitiveness and profitability ensure that we are economically sustainable in the long term. This allows us to continue to pay the salaries of our employees, pay taxes, pay suppliers and support the Milton Hershey School and other social investments.</p> <p>Our Board of Directors, CEO and management teams are directly responsible for the economic performance and global competitiveness of the Company.</p> <p>The Big Picture pp. 4–7<br/>           Governance and Approach: Materiality p. 15<br/>           GRI Report: Material Issues Across Our Value Chain p. 35<br/> <a href="#">2020 Form 10-K</a></p>   |
|                                    | 103-2     | The management approach and its components                                     | <a href="#">Corporate Governance Guidelines</a> p. 2<br><a href="#">2020 Form 10-K</a>  |
|                                    | 103-3     | Evaluation of the management approach  | <a href="#">Corporate Governance Guidelines</a> p. 2<br><a href="#">2020 Form 10-K</a>  |
| GRI 201: Economic Performance 2016 | 201-1     | Direct economic value generated and distributed                                | <a href="#">2020 Form 10-K</a> pp. 19–42<br>Our Performance pp. 8–12  |
|                                    | 201-2     | Financial implications and other risks and opportunities due to climate change | The Big Picture: Stepping Up in 2020 – Our Response to a Unique Year p. 6<br>Environmental Impact: Acting on Climate Change p. 46<br><a href="#">Environmental Policy</a><br><a href="#">TCFD Report</a>  |
|                                    | 201-3     | Defined benefit plan obligations and other retirement plans                    | <p><a href="#">2020 Form 10-K</a> PDF pp. 34, 40–41, 61, 82, 83</p> <p>For Hershey’s 401(k) Plan, the Company match is 100 percent on the first one percent contributed by employees and 70 percent on the next five percent contributed by employees. In total, Hershey provides a 4.5 percent company match on six percent employee contributions.</p> <p>We also have a defined benefit plan which is closed to new hires but still accrues a benefit for eligible participants.</p> <p>a) estimated value of plan liabilities: \$1.043 Billion.</p> <p>b) The Hershey Company has a Master Retirement Plan Trust that holds the investment funds for our Pension Plan.</p> <p>i. As of December 31, 2020, our Plan has a 99 percent funded status</p> <p>ii. This estimate was derived from actuarial valuation reports from consulting actuaries that are members of the Society of Actuaries and meet the Qualification Standards of Actuaries Issuing Statements of Actuarial Opinion in the United States relating to pension plans.</p> <p>iii. Actuarial Certification is performed annually. Sept 2020 was the most recent.</p> <p>c) The Hershey Company has a Master Retirement Plan Trust that holds the investment funds for our Pension Plan. We have an investment strategy that is governed by our Retirement Plan Investment Committee. The investment strategy of this committee is to minimize funded status volatility and contributions and reduce level of investment risk and exposure to market drawdowns, with a time horizon of 10 years.</p> <p>d) Hershey’s Pension Plan is not funded based on salary contributed by employee or employer. All funds in the Master Trust are 100 percent employers’ funds to cover the liabilities of the Plan.</p> <p>e) Hershey’s Pension Plan is closed to new hires but still accrues a benefit for eligible participants.</p> |



## Economic Disclosures

| GRI Standard                       | Reference | GRI Disclosure   | 2020 Hershey Response  |
|------------------------------------|-----------|--|--|
| GRI 201: Economic Performance 2016 | 201-4     | Financial assistance received from government                                | <p><u>2020 Form 10-K</u> pp. 28, 35, 57, 81, 82</p> <p>Government financial assistance received in 2020 was in relation to equity investments qualifying for federal historic and energy tax credits and the federal research and development credit (\$131.3 million in U.S.), state film tax credits (\$276,000 in state of IL) and state historic credits (\$1.4 million in state of NY).</p> <p>The Company also received the following grants and incentives for our Stuarts Draft facility in Virginia: \$600,000 Commonwealth Opportunity Fund Grant from the Virginia Economic Development Partnership; \$300,000 August County, Virginia Tax Rebate.</p> <p>We do not receive any other material governmental financial assistance. No government owns Hershey shares.</p>  |
| <b>Market Presence</b>             |           |  |  |
| GRI 103: Management Approach       | 103-1     | Explanation of the material topic and its Boundaries                         | <p><u>2020 Form 10-K</u> PDF pp. 4-8</p> <p>The Big Picture pp. 4-7</p> <p>Governance and Approach: Materiality p. 15</p> <p>GRI Report: Material Issues Across Our Value Chain p. 35</p>  |
|                                    | 103-2     | The management approach and its components                                   | <u>2020 Form 10-K</u> PDF pp. 4-8, 20-98   |
|                                    | 103-3     | Evaluation of the management approach  | <u>Corporate Governance Guidelines</u> pp. 2, 6, 8   |
| GRI 202: Market Presence 2016      | 202-1     | Ratios of standard entry level wage by gender compared to local minimum wage | <p>Omission: Entire disclosure</p> <p>Reason for Omission: Information unavailable.</p> <p>Explanation of Omission: Hershey does not currently monitor or report on employee wages relative to local minimum wage, and there is no established timeline to do so.</p>  |
|                                    | 202-2     | Proportion of senior management hired from the local community               | <p>53.85 percent (14 local employees/26 total external hires at significant locations).</p> <p>“Senior management” is defined as individuals hired as Senior Manager and above (up to Senior Vice President within the C-Suite).</p> <p>“Local” is defined as a permanent resident at time of hire in one of the following locations in the USA: Pennsylvania, New Jersey, New York, Ohio, West Virginia, Virginia, Maryland, District of Columbia and Delaware.</p> <p>“Significant locations of operation” is defined as the following locations: 19 East Chocolate Ave, 19 East Office, Amplify 19 East Office, Hazleton Plant, HCW Visitors Center, Loveland (Kroger), Reese Plant, Sales Co 19E Office, Sales Co Loveland (Kroger), Sales Co Office Northeast, Stuarts Draft Plant, Technical Center, West Hershey Plant and Y&amp;S Lancaster Plant.</p> |
| <b>Indirect Economic Impacts</b>   |           |  |  |
| GRI 103: Management Approach       | 103-1     | Explanation of the material topic and its Boundaries                         | <p>The Big Picture pp. 4-7</p> <p>Governance and Approach: Materiality p. 15</p> <p>Responsible Growth: Responsible Sourcing, Cocoa For Good pp. 33-44</p> <p>Communities pp. 64-69</p> <p><u>SDG Report</u></p> <p>GRI Report: Material Issues Across Our Value Chain p. 35</p>   |
|                                    | 103-2     | The management approach and its components                                   | <p>Responsible Growth pp. 18-44</p> <p>Environmental Impact pp. 45-50</p> <p>Communities pp. 64-69</p> <p>Governance and Approach: Being a Responsible and Ethical Business p. 14</p>  |
|                                    | 103-3     | Evaluation of the management approach  | <p>Responsible Growth pp. 18-44</p> <p>Environmental Impact pp. 45-50</p> <p>Communities pp. 64-69</p> <p>Governance and Approach: Being a Responsible and Ethical Business p. 14</p> <p><u>SDG Report</u></p>   |

| GRI Standard                            | Reference | GRI Disclosure                                       | 2020 Hershey Response  |
|---|-----------|--|--|
| GRI 203: Indirect Economic Impacts 2016 | 203-1     | Infrastructure investments and services supported    | <p>Responsible Growth: Cocoa For Good pp. 33–44<br/>Communities p. 64</p> <p>Hershey supports the development of community infrastructure projects in many of the communities where our employees live and work. In Hershey, PA, the Company contributed \$1 million to support the expansion of the Penn State Children’s Hospital, the only level 1 trauma center between Philadelphia and Pittsburgh. We completed our pledge totaling \$1 million in 2020. We also completed payment on our \$1 million pledge to support the construction of the Hershey Community Center in Derry Township (Hershey, PA), which provides much needed programming for children, teens and senior citizens in the community. Hershey also completed its pledge of \$250,000 for the Crawford County Community Center construction, for a new facility that will provide educational and recreation programs for the Robinson, IL community where we operate.</p> <p>In our supply chain, Hershey supports infrastructure projects in the cocoa communities that support our business; in 2020 our funding supported the construction of a new school in Côte d’Ivoire that includes six classrooms, two bathroom blocks, one canteen, two handwashing taps, six teacher residences, a hydraulic pump and water tower villagers can access and a solar energy system powering the whole school. In 2020, our spending also went toward funding a new factory in Côte d’Ivoire to manufacture ViVi – a peanut-based fortified snack for school children in the region. Due to COVID-19, construction continued at a slowed pace and the factory did not open before the conclusion of 2020.</p> <p>We also support community infrastructure development through our employee volunteerism programs. In 2020 our employees supported building and maintenance of recreational trails and parks across central Pennsylvania, logged hundreds of hours with community food banks supporting COVID-19-relief food-distribution efforts, served as volunteer crisis counselors (supporting mental health care infrastructure) with Crisis Text Line and volunteered their expertise with Partners in Food Solutions, which provides pro bono consulting to small and growing enterprises in Africa and accelerates economic and infrastructure development and food systems stability in that region.</p> <p>In 2020, we began the construction of a new 850,000-square-foot agile fulfillment center in Annville, Pennsylvania. The fulfillment center will employ 600 employees of which 200 positions will be new hires. Concurrently we are constructing a new distribution center and co-packing facility in Brantford, Ontario, Canada. The facility will cover 550,000 square feet and the site will employ 400 employees.</p> |
|   | 203-2     | Significant indirect economic impacts                | <p>Children and Youth: Nourishing Young Minds p. 62<br/>Responsible Growth: Responsible Sourcing, Cocoa For Good pp. 33–44<br/>Communities pp. 64–69<br/><a href="#">SDG Report</a><br/>See 203-1 above</p>  |
| <b>Procurement Practice</b>             |           |  |  |
| GRI 103: Management Approach            | 103-1     | Explanation of the material topic and its Boundaries | <p>Responsible Growth: Responsible Sourcing p. 28<br/>Responsible Growth: Cocoa For Good pp. 33–44<br/>The Big Picture pp. 4–7<br/>Governance and Approach: Materiality p. 15<br/>GRI Report: Material Issues Across Our Value Chain p. 35<br/><a href="#">Responsible Sourcing</a></p>  |
|   | 103-2     | The management approach and its components           | <p>Responsible Growth pp. 18–44<br/><a href="#">Responsible Sourcing</a><br/><a href="#">Supplier Code of Conduct</a><br/><a href="#">Priority Ingredients and Raw Materials</a></p>   |

| GRI Standard                        | Reference | GRI Disclosure   | 2020 Hershey Response   |
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| GRI 103: Management Approach        | 103-3     | Evaluation of the management approach  | <p>Governance and Approach p. 13<br/>Responsible Growth: Cocoa For Good, Accountability, Transparency and Due Diligence in Cocoa p. 35</p> <p>Our responsible sourcing practices are guided by our <a href="#">Supplier Code of Conduct</a>, our Company sustainability strategy: <a href="#">The Shared Goodness Promise</a> and cocoa, specifically the <a href="#">Cocoa For Good Strategy</a>, as well as our individual ingredient policies, Human Rights Policy, Environmental Policy and <a href="#">No Deforestation Policy</a>. Also, our overall commodity procurement programs are reviewed monthly by a committee comprised of the CEO, Chief Financial Officer, Chief Supply Chain Officer and leaders of our commercial teams.</p> <p><a href="#">Corporate Governance</a><br/><a href="#">Responsible Recruitment Policy</a></p> |
| GRI 204: Procurement Practices 2016 | 204-1     | Proportion of spending on local suppliers  | Of our procurement budget in 2020, 81 percent was spent on local suppliers based in the same country as the Hershey facility to which they were supplying goods or services. This includes all of Hershey's global procurement spend across all countries in which Hershey has manufacturing plants or offices.   |
|                                     | G4-FP1    | Percentage of purchased volume from suppliers compliant with company's sourcing policy   | <p>Responsible Growth: Responsible Sourcing, Our Responsible Sourcing Supplier Program. p. 29</p> <p>Of our purchased volume, 100 percent comes from suppliers who are required to adhere to the provisions of our Sourcing Policy and Supplier Code of Conduct. We did not suspend or terminate business relationships in 2020 due to non-compliances found in suppliers' audits as part of the Responsible Sourcing Supplier Program.</p>   |
|                                     | G4-FP2    | Percentage of purchased volume, which is verified as being in accordance with credible, internationally recognized responsible production standards, broken down by standard | <p>Responsible Growth: Responsible Sourcing p. 28<br/>Our Performance pp. 8-12<br/><a href="#">Responsible Sourcing</a></p> <p>In 2020, 61 percent of food ingredients sourced (by cost) were certified to third-party environmental and/or social standards. Representative standards include: Fair Trade USA, Rainforest Alliance, RSPO and Bonsucro. More details on Hershey's sourcing certification achievements by ingredient are available on page 30 of the 2020 Sustainability Report.</p> <p>Omission: Purchase volume by standard<br/>Reason for Omission: Confidentiality constraints<br/>Explanation of Omission: Information regarding breakdown of purchases that are verified by responsible production standards is not reported due to commercial sensitivity.</p>  |
| <b>Anti-Corruption</b>              |           |  |   |
| GRI 103: Management Approach        | 103-1     | Explanation of the material topic and its Boundaries   | <p>The Big Picture pp. 4-7<br/>Governance and Approach: Materiality p. 15<br/>Governance and Approach: Being a Responsible and Ethical Business p. 14<br/>GRI Report: Material Issues Across Our Value Chain p. 35</p>  |
|                                     | 103-2     | The management approach and its components   | <p>Governance and Approach: Being a Responsible and Ethical Business p. 14<br/><a href="#">Code of Conduct</a> pp. 16-19<br/><a href="#">Supplier Code of Conduct</a></p>   |
|                                     | 103-3     | Evaluation of the management approach  | <p><a href="#">Corporate Governance</a><br/><a href="#">Hershey Code of Conduct</a><br/><a href="#">Audit Committee Charter</a></p>   |

| GRI Standard                            | Reference | GRI Disclosure   | 2020 Hershey Response  |
|---|-----------|--|--|
| GRI 206: Anti-Corruption 2016           | 205-1     | Operations assessed for risks related to corruption                            | As part of our quarterly Disclosure Committee process, we assess our business operations for risks related to corruption. Each quarter, representatives from every business function are required to certify, among other things, whether they have knowledge of, or concerns relating to, corruption or potential corruption. In 2020, the Ethics and Compliance department conducted a compliance risk assessment to ascertain compliance and corruption risks, and no significant corruption risks were identified or reported to the Ethical Business Practices Committee (EBPC) through the risk assessment or any other process. |
|   | 205-2     | Communication and training about anti-corruption policies and procedures       | Anti-corruption training is provided to every employee, officer and Director of our Company every other year as part of our required Code of Conduct training. In years when training is not provided, every employee, officer and Director of our Company is required to certify that they have read the Code of Conduct (including the anti-corruption provisions contained therein) and that they understand and agree to abide by the requirements.<br><br>All suppliers receive our Supplier Code of Conduct and are expected to adhere to all provisions therein including provisions on business ethics and anti-corruption.    |
|   | 205-3     | Confirmed incidents of corruption and actions taken                            | There was a confirmed incident of corruption in 2020, specifically an alleged bribe paid by a Hershey supplier to a Mexican police officer. As a result of this violation, the contract with the Hershey supplier was terminated. No Hershey employee was involved in the incident and the incident was entirely limited to the third party.   |
| <b>Anti-Competitive Behavior</b>        |           |  |  |
| GRI 103: Management Approach 2016       | 103-1     | Explanation of the material topic and its Boundaries                           | The Big Picture pp. 4-7<br>Governance and Approach: Materiality p. 15<br>Hershey Code of Conduct pp. 19-22<br>GRI Report: Material Issues Across Our Value Chain p. 35   |
|   | 103-2     | The management approach and its components                                     | Governance and Approach: Being a Responsible and Ethical Business p. 14<br><a href="#">Code of Conduct</a><br><a href="#">Supplier Code of Conduct</a><br><a href="#">Compliance Complaints</a><br><br>Our Chief Counsel for Antitrust, our Global Trade and Customs Compliance and our Ethics and Compliance departments are responsible for overseeing our management approach.  |
|   | 103-3     | Evaluation of the management approach  | Our Global Trade and Customs Compliance department, alongside our Ethics and Compliance department and our Chief Counsel for Antitrust ensures compliance with our trade practices and reviews our approach regularly. No changes have been made as a result of the review and, in 2020, there were no instances of material non-compliance with regulations that would cause Hershey to amend its approach.<br><br><a href="#">Corporate Governance</a>   |
| GRI 206: Anti-Competitive Behavior 2016 | 206-1     | Legal actions for anti-competitive behavior, antitrust, and monopoly practices | No instances of material non-compliance with regulations concerning antitrust regulation occurred in 2020.<br>Governance and Approach: Being a Responsible and Ethical Business p. 14  |



| GRI Standard                 | Reference | GRI Disclosure                                       | 2020 Hershey Response   |
|------------------------------|-----------|--|---|
| <b>Materials</b>             |           |  |   |
| GRI 103: Management Approach | 103-1     | Explanation of the material topic and its Boundaries | Environmental Impact: A New Era for Hershey Packaging p. 48<br>The Big Picture pp. 4–7<br>Governance and Approach: Materiality p. 15<br>GRI Report: Material Issues Across Our Value Chain p. 35  |
|                              | 103-2     | The management approach and its components           | Environmental Impact: Acting on Climate Change p. 46<br>Environmental Impact: A New Era for Hershey Packaging p. 48<br>Governance and Approach: Being a Responsible and Ethical Business p. 14  |
|                              | 103-3     | Evaluation of the management approach                | Environmental Impact: Acting on Climate Change p. 46<br>Environmental Impact: A New Era for Hershey Packaging p. 48<br>Governance and Approach: Being a Responsible and Ethical Business p. 14<br><a href="#">Corporate Governance</a>  |
| GRI 301: Materials 2016      | 301-1     | Materials used by weight or volume                   | See <a href="#">SASB Report</a> FB-PF-410a.1  |
|                              | 301-2     | Recycled input materials used                        | In 2020, 22 percent of our packaging in North America was post-consumer recycled material.<br>Omission: Entire disclosure outside of North America.<br>Reason for Omission: Information unavailable.<br>Explanation of Omission: Recycled input materials are not currently tracked outside of North America. There are no specific plans to report these data. |
|                              | 301-3     | Reclaimed products and their packaging materials     | Hershey does not currently reclaim products or packaging.   |
| <b>Energy</b>                |           |  |   |
| GRI 103: Management Approach | 103-1     | Explanation of the material topic and its Boundaries | Environmental Impact: Acting on Climate Change p. 46<br>The Big Picture pp. 4–7<br>Governance and Approach: Materiality p. 15<br>GRI Report: Material Issues Across Our Value Chain p. 35   |
|                              | 103-2     | The management approach and its components           | Environmental Impact: Acting on Climate Change p. 46<br>Governance and Approach: Being a Responsible and Ethical Business p. 14<br><a href="#">Environmental Policy</a><br><a href="#">Code of Conduct</a> p. 27  |
|                              | 103-3     | Evaluation of the management approach                | Governance and Approach: Being a Responsible and Ethical Business p. 14<br><a href="#">TCFD Report</a><br><a href="#">Environmental Policy</a>  |

| GRI Standard                      | Reference | GRI Disclosure   | 2020 Hershey Response   |
|-----------------------------------|-----------|--|---|
| GRI 302: Energy 2016              | 302-1     | Energy consumption within the organization                 | See GRI Appendix 302-1 p. 41<br>U.S. Energy Information Administration conversion factors used.<br>No heating, cooling, electricity or steam sold<br>35,146.8 GJ of electricity supplying our Stuarts Draft factory was covered by renewable energy credits (RECs), 734,846.4 GJ of electricity consumption was covered by zero-emissions credits that we contracted through our utility providers in Pennsylvania, which may include renewable energy.   |
|                                   | 302-2     | Energy consumption outside of the organization             | See GRI 305-3 p. 18<br>Omission: Entire disclosure<br>Reason for Omission: Not applicable<br>Explanation of Omission: Given our value chain, this is not a meaningful indicator for us. Furthermore, following the recommendations of the Greenhouse Gas Protocol, our Scope 3 was predominantly measured using usage data rather than fuel information.  |
|                                   | 302-3     | Energy intensity   | In 2020, our energy intensity ratio was 1.94 GJ per thousand pounds of product produced. This figure only represents energy usage at our manufacturing plants. Energy related to fuel, electricity and heating is included.   |
|                                   | 302-4     | Reduction of energy consumption                            | Our 2020 energy consumption numbers now encompass our most complete data available. These numbers now represent Hershey's overall energy usage across all global manufacturing facilities and owned, U.S. distribution centers and corporate offices, except for Amplify Snack Brands, Inc. and ONE Brands LLC. Among properties that were included in last year's numbers (e.g., excluding India and owned, U.S. distribution centers and corporate offices) we did see a decrease in total energy usage between 2019 and 2020. In particular, natural gas usage, electricity consumed, motor gasoline and use of distillate fuel oil all decreased.<br>Hershey's 2020 energy consumption is available in GRI Appendix 302-1 p. 41 |
|                                   | 302-5     | Reductions in energy requirements of products and services | See 302-3 and 302-4. The energy intensity ratio of our products in 2019 was 1.73 GJ per thousand pounds of product. These 2019 numbers did not include data from our India plant. Yet even when comparing the same boundary of plants to one another we saw an increase in our energy intensity of products produced between 2019 and 2020. As 2020 was an odd year due to the pandemic we believe this is reflective of the fact that certain plants have a certain base level of energy requirements even when overall production levels decrease.  |
| <b>Water</b>                      |           |  |   |
| GRI 103: Management Approach 2016 | 103-1     | Explanation of the material topic and its Boundaries       | Environmental Impact: Acting on Climate Change p. 46<br>Environmental Impact: Protecting Water Supplies p. 49<br>The Big Picture pp. 4-7<br>Governance and Approach: Materiality p. 15<br>GRI Report: Material Issues Across Our Value Chain p. 35  |
|                                   | 103-2     | The management approach and its components                 | Environmental Impact: Acting on Climate Change p. 46<br>Environmental Impact: Protecting Water Supplies p. 49<br>Our Performance pp. 8-12<br>Governance and Approach: Governing Sustainability p. 14<br><u>Environmental Policy</u>   |
|                                   | 103-3     | Evaluation of the management approach                      | Governance and Approach: Governing Sustainability p. 14<br>Our Performance pp. 8-12<br><u>Corporate Governance</u>  |

| GRI Standard        | Reference | GRI Disclosure                                | 2020 Hershey Response  |
|---------------------|-----------|---|--|
| GRI 303: Water 2018 | 303-1     | Interactions with water as a shared source    | Environmental Impact: Protecting Water Supplies p. 49<br>Our Performance pp. 62  |
|                     | 303-2     | Management of water discharge-related impacts | We comply with the water quality standards for the quality of effluent discharge established by law for each location where Hershey operates. The profile of the receiving water body is considered to the extent required by local laws.  |
|                     | 303-3     | Water withdrawal                              | Our Performance pp. 8-12<br>Environmental Impact: Protecting Water Supplies p. 49<br>Total water use: 5,444.7 megaliters.<br><br>i., ii. Percentage water withdrawal from ground: 54 percent.<br>iii. We do not withdraw any sea water.<br>iv. Percentage purchased water: 46 percent.<br>v. We do not consume third-party water.<br><br>Our El Salto, Monterrey (both Mexico) and Brazil manufacturing plants are in areas of high baseline water stress.<br>El Salto total water consumption: 150.8 megaliters, of which approximately 100 percent was groundwater and a <i>de minimis</i> portion was purchased water.<br>Monterrey total water consumption: 304.5 megaliters, of which 63 percent was groundwater and 39 percent was purchased water.<br>Brazil total water consumption: 66.5 megaliters, of which approximately 100 percent was groundwater and a <i>de minimis</i> portion was purchased water.<br><br>Also, our plant in India is in an area of extreme baseline water stress.<br>India total water consumption: 157.5 megaliters, of which 9.5 percent is groundwater and 90.5 percent is purchased water.<br>All withdrawn water is freshwater. |
|                     | 303-4     | Water discharge                               | Our Performance pp. 8-12<br>Environmental Impact: Protecting Water Supplies p. 49<br>Total water discharge: 4,572.1 megaliters.<br>Water discharge from water-stressed areas: 251.4 megaliters.<br><br>This is the total discharge from our El Salto, Monterrey, Brazil and India plants. All of Monterrey's water discharge is treated and used for irrigation on the operation's campus. 35 percent of El Salto's water discharge is treated and used for irrigation on the operation's campus; the remainder is discharged to the Santiago River basin. Brazil discharges the treated water to the Ribeirão do Marmeleiro. India uses the discharge water for irrigation.<br><br>Other water discharge: 4,320.7 megaliters.<br><br>This volume is sent to publicly owned treatment works.<br><br>We do not have any priority substances of concern for which discharges are treated.  |
|                     | 303-5     | Water consumption                             | Our Performance pp. 8-12<br>Environmental Impact: Protecting Water Supplies p. 49<br>Total water consumption: 872.6 megaliters.<br><br>Our El Salto, Monterrey, Brazil and India plants are in water-stressed areas and consumed 428 megaliters of water in 2020.<br>We have not identified water storage as having a significant water-related impact.<br><br>Information is calculated based on utility data from our manufacturing plants and owned, U.S. distribution centers and corporate offices.   |

| GRI Standard                      | Reference | GRI Disclosure  | 2020 Hershey Response  |
|-----------------------------------|-----------|---|--|
| <b>Biodiversity</b>               |           |   |  |
| GRI 103: Management Approach 2016 | 103-1     | Explanation of the material topic and its Boundaries  | The Big Picture pp. 4–7<br>Governance and Approach: Materiality p. 15<br>GRI Report: Material Issues Across Our Value Chain p. 35<br>Responsible Growth: Responsible Sourcing p. 28<br>Responsible Growth: Sourcing Our Key Ingredients and Materials, Cocoa For Good pp. 30–44  |
|                                   | 103-2     | The management approach and its components  | Governance and Approach: Being a Responsible and Ethical Business p. 14<br><a href="#">Environmental Policy</a><br><a href="#">No Deforestation Policy</a><br><a href="#">Cocoa &amp; Forest Initiative</a><br><a href="#">Responsible Palm Oil Sourcing Policy</a>  |
|                                   | 103-3     | Evaluation of the management approach   | Governance and Approach: Being a Responsible and Ethical Business p. 14<br><a href="#">Environmental Policy</a><br><a href="#">No Deforestation Policy</a><br><a href="#">Cocoa &amp; Forest Initiative</a><br><a href="#">Responsible Palm Oil Sourcing Policy</a>  |
| GRI 103: Biodiversity 2016        | 304-1     | Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas | At the locations where Hershey has major operations, the following percentages of the nearby landscape are considered under protection by the Half-Earth Project.<br>Hershey, PA (manufacturing, corporate offices, distribution centers) – 0.8%<br>Hazelton, PA (manufacturing) – 6.48%<br>Lancaster, PA (manufacturing) – 0.27%<br>Stuarts Draft, VA (manufacturing) – 6.58%<br>Memphis, TN (manufacturing) – 2.91%<br>Robinson, IL (manufacturing) – 2.84%<br>Monterrey, MX (manufacturing) – 14.12%<br>Guadalajara, Jalisco, MX (manufacturing) – 18.67%<br>Mandideep, IND (manufacturing) – 21%<br>Malaysia (manufacturing) – 1.46%<br>São Roque, Brazil (manufacturing) – 40.61%<br>Granby and St. Hyacinthe, Quebec, Canada (manufacturing) – 0.42%<br><br>Omission: a. ii, iii, v<br>Reason for Omission: Confidentiality constraints.<br>Explanation of Omission: We consider the requests relating to size of Company properties to be Company confidential. |
|                                   | 304-2     | Significant impacts of activities, products, and services on biodiversity   | Responsible Growth: Cocoa For Good: Fighting Deforestation, p. 43<br>Omission: Entire disclosure.<br>Reason for Omission: Information unavailable.<br>Explanation of Omission: Hershey does not yet comprehensively track value-chain-wide biodiversity impacts.   |
|                                   | 304-3     | Habitats protected or restored  | Responsible Growth: Cocoa For Good, Fighting Deforestation, p. 43  |
|                                   | 304-4     | IUCN Red List species and national conservation list species with habitats in areas affected by operations                                | See GRI Appendix 304-4 p. 41   |



| GRI Standard                      | Reference | GRI Disclosure                                       | 2020 Hershey Response   |
|-----------------------------------|-----------|--|---|
| <b>Emissions</b>                  |           |  |   |
| GRI 103: Management Approach 2016 | 103-1     | Explanation of the material topic and its boundaries | Environmental Impact: Acting on Climate Change pp. 37–42<br>The Big Picture pp. 4–8<br>Governance and Approach: Materiality p. 15<br>GRI Report: Material Issues Across Our Value Chain p. 35   |
|                                   | 103-2     | The management approach and its components           | Environmental Impact: Acting on Climate Change pp. 46<br>Governance and Approach: Being a Responsible and Ethical Business p. 14<br><a href="#">Environmental Policy</a><br><a href="#">TCFD Report</a><br><a href="#">Hershey Code of Conduct</a> p. 27<br>The Senior Vice President, Chief Supply Chain Officer is responsible for managing issues around climate change, and oversight is provided by the Board.   |
|                                   | 103-3     | Evaluation of the management approach                | Governance and Approach: Being a Responsible and Ethical Business p. 14<br><a href="#">TCFD Report</a><br><a href="#">Environmental Policy</a>  |
| GRI 103: Management Approach 2016 | 305-1     | Direct (Scope 1) GHG emissions                       | Our Performance pp. 8–12<br>Environmental Impact p. 45<br>See upcoming 2020 CDP response for more information<br>See GRI Appendix 305-1–3 p. 42<br>b) All relevant greenhouse gases as specified by the Greenhouse Gas Reporting Protocol included<br>d) Base year = 2018<br>i. chosen as per the requirements of the Science Based Targets initiative (SBTi).<br>iii. these numbers are different from what has been previously reported in 2018 due to us expanding our measurements to include at least 95 percent of our total baseline (as per the SBTi standards) and reframing our measurements to be in alignment with the Greenhouse Gas Reporting Protocol<br>e) ecoinvent, DEFRA factors<br>f) Operational control<br>g) GHG Protocol standard used  |
|                                   | 305-2     | Energy indirect (Scope 2) GHG emissions              | Our Performance pp. 8–12<br>Environmental Impact p. 45<br>See upcoming 2020 CDP response for more information<br>See GRI Appendix 305-1–3 p. 42<br>c) All relevant greenhouse gases as specified by the Greenhouse Gas Reporting Protocol included<br>d) Base year = 2018<br>i. chosen as per the requirements of the SBTi.<br>iii. these numbers are different from what has been previously reported in 2018 due to us expanding our measurements to include at least 95 percent of our total baseline (as per the SBTi standards) and reframing our measurements to be in alignment with the Greenhouse Gas Reporting Protocol<br>e) EPA Emissions and Generation Resource Integrated Database (eGRID), Quantis Scope 3 evaluator, Green e-energy Residual Mix Emissions Rate<br>f) Operational control<br>g) GHG Protocol standard used |

| GRI Standard                      | Reference | GRI Disclosure  | 2020 Hershey Response  |
|-----------------------------------|-----------|---|--|
| GRI 103: Management Approach 2016 | 305-3     | Other indirect (Scope 3) GHG emissions  | Our Performance pp. 8–12<br>Environmental Impact p. 45<br>See upcoming 2020 CDP response for more information<br>See GRI Appendix 305-1–3 p. 41<br><br>b) All relevant greenhouse gases as specified by the Greenhouse Gas Reporting Protocol included<br>c) included in Scope 1, and/or accounted separately<br>e) Base year = 2018<br>i. chosen as per the requirements of the SBTi, Quantis Scope 3 evaluator<br>iii. N/A<br>f)ecoinvent, Quantis Dryad tool<br>g) GHG Protocol standard used |
|                                   | 305-4     | GHG emissions intensity   | Our Performance pp. 8–12<br>Environmental Impact: Acting on Climate Change pp. 37–42   |
|                                   | 305-5     | Reduction of GHG emissions  | Our Performance, Our Year in Review: p. 8<br>Our Performance pp. 8–12<br>Environmental Impact: Acting on Climate Change pp. 37–42  |
|                                   | 305-6     | Emissions of ozone-depleting substances (ODS)                                   | Omission: Entire disclosure<br>Reason for Omission: Not applicable.<br>Explanation of Omission: We do not emit a significant amount of ozone-depleting substances. As such, we do not consider these emissions material to our business and we therefore do not monitor or report them.  |
|                                   | 305-7     | Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions | NOx: 74.91 MT<br>SOx: 2.53 MT<br>VOC: 83.75 MT<br>CO: 64.15 MT<br>Particulate matter: 49.24 MT<br><br>Omission: a. iii, v<br>Reason for Omission: Not applicable.<br>Explanation of Omission: Persistent organic pollutants (POPS) and Hazardous air pollutants (HAPS) are not material to our business, and we therefore do not track them.   |
| <b>Effluents and Waste</b>        |           |   |  |
| GRI 103: Management Approach 2016 | 103-1     | Explanation of the material topic and its Boundaries                            | Environmental Impact: Acting on Climate Change p. 37<br>Environmental Impact: Controlling Our Waste Impact p. 40<br>The Big Picture pp. 4–8<br>Governance and Approach: Materiality p. 15<br>GRI Report: Material Issues Across Our Value Chain p. 35  |
|                                   | 103-2     | The management approach and its components                                      | Environmental Impact: Acting on Climate Change p. 37<br>Environmental Impact: Controlling Our Waste Impact p. 40<br>Governance and Approach: Governing Sustainability p. 10<br><u>Environmental Policy</u>   |
|                                   | 103-3     | Evaluation of the management approach   | Governance and Approach: Being a Responsible and Ethical Business p. 14<br>Environmental Impact: Controlling Our Waste Impact p. 40  |
| GRI 103: Management Approach 2016 | 306-1     | Water discharge by quality and destination                                      | Our Performance pp. 8–12<br>Environmental Impact: Protecting Water Supplies p. 39<br>See response to 303-4. All water discharge is planned.  |

| GRI Standard                      | Reference           | GRI Disclosure  | 2020 Hershey Response  |
|-----------------------------------|---------------------|---|--|
| GRI 103: Management Approach 2016 | 306-2               | Waste by type and disposal method                       | <p>Our Performance pp. 8–12<br/>Environmental Impact: Controlling Our Waste Impact p. 40</p> <p>Total hazardous waste in 2020: 16.17 metric tons. (This year we are including our India site.)</p> <p>All hazardous waste was transported nationally off-site to permitted treatment, storage and disposal facilities.</p> <p>Total weight of non-hazardous weight in 2020 by disposal method: 62,395 metric tons</p> <ul style="list-style-type: none"> <li>• 84.4 percent of waste is recycled (22,939 MT), sent to stock feed (29,684 MT) or composted (15 MT).</li> <li>• 15.6 percent of waste is trash (9,757 MT) of which 2,736 MT is sent to landfill and 7,021 MT is sent to incineration.</li> </ul> <p>Our India and Brazil sites' trash is used to generate electricity by local utility companies.</p> <p>Disposal methods were determined by a combination of regional infrastructure and the make-up of the waste stream.</p> |
|                                   | 306-3               | Significant spills                                      | In 2020, Hershey reported no significant spills of fuels, waste, chemicals or other materials.   |
|                                   | 306-4               | Transport of hazardous waste                            | All (16.17 metric tons) hazardous waste is transported off-site to permitted treatment, storage and distribution facilities. No hazardous waste is shipped abroad.   |
|                                   | 306-5               | Water bodies affected by water discharges and/or runoff | No water bodies or habitats are significantly impacted by our water discharge or runoff.   |
|                                   | GRI 306: Waste 2020 | 306-1   | Waste generation and significant waste-related impacts   |
|                                   | 306-2               | Management of significant waste-related impacts         | Our sites manage the waste generated according to local regulations. Our waste-related data is collected by our Environmental Dashboard, which tracks a range of utility usage information.  |
|                                   | 306-3               | Waste generated   | See 306-2  |
|                                   | 306-4               | Waste diverted from disposal                            | See 306-2  |
|                                   | 306-5               | Waste directed to disposal                              | See 306-2  |
| <b>Environmental Compliance</b>   |                     |   |  |
| GRI 103: Management Approach 2016 | 103-1               | Explanation of the material topic and its Boundaries    | <p>The Big Picture pp. 4–8<br/>Governance and Approach: Materiality p. 15<br/>GRI Report: Material Issues Across Our Value Chain p. 35<br/>Responsible Growth: Responsible Sourcing p. 19<br/>Responsible Growth: Sourcing Our Key Ingredients and Materials p. 24<br/>Responsible Growth: Cocoa For Good pp. 25–35</p> <p>At Hershey, we expect all of our suppliers to comply with our Supplier Code of Conduct and global sourcing policies, which set forth compliance expectations on environmental criteria.</p>   |
|                                   | 103-2               | The management approach and its components              | <p>Governance and Approach: Being a Responsible and Ethical Business p. 14<br/>Responsible Growth: Responsible Sourcing p. 19<br/>Responsible Growth: Sourcing Our Key Ingredients and Materials p. 24<br/>Responsible Growth: Cocoa For Good pp. 25–35<br/>Environmental Impact: Acting on Climate Change [pp. 37–42<br/><a href="#">Environmental Policy</a><br/><a href="#">Supplier Code of Conduct</a></p>  |

| GRI Standard                             | Reference | GRI Disclosure   | 2020 Hershey Response   |
|--|-----------|--|---|
| GRI 103: Management Approach 2016        | 103-3     | Evaluation of the management approach                  | Governance and Approach: Being a Responsible and Ethical Business p. 14<br>Responsible Growth pp. 13–35<br>Environmental Impact pp. 36–42<br><a href="#">Cocoa For Good</a><br><a href="#">Environmental Policy</a><br><a href="#">Supplier Code of Conduct</a>   |
| GRI 307: Environmental Compliance        | 307-1     | Non-compliance with environmental laws and regulations | During 2020, we did not identify any non-compliance with environmental laws and/or regulations that would give rise to significant fines or sanctions.  |
| <b>Supplier Environmental Assessment</b> |           |  |   |
| GRI 103: Management Approach 2016        | 103-1     | Explanation of the material topic and its Boundaries   | The Big Picture pp. 4–8<br>Governance and Approach: Materiality p. 15<br>GRI Report: Material Issues Across Our Value Chain p. 35<br>Responsible Growth: Responsible Sourcing p. 19<br>Responsible Growth: Sourcing Our Key Ingredients and Materials p. 24<br>Responsible Growth: Cocoa For Good pp. 25–35   |
|  | 103-2     | The management approach and its components             | Governance and Approach: Being a Responsible and Ethical Business p. 14<br>Responsible Growth: Responsible Sourcing p. 28<br>Responsible Growth: Sourcing Our Key Ingredients and Materials p. 30–32<br>Responsible Growth: Cocoa For Good pp. 33–44<br>Environmental Impact: Acting on Climate Change p. 46<br><a href="#">Cocoa For Good</a><br><a href="#">Environmental Policy</a><br><a href="#">Supplier Code of Conduct</a><br><a href="#">No Deforestation Policy</a> |
|  | 103-3     | Evaluation of the management approach                  | Governance and Approach: Being a Responsible and Ethical Business p. 14<br>Responsible Growth: Responsible Sourcing p. 28<br>Responsible Growth: Sourcing Our Key Ingredients and Materials pp. 30–32<br>Responsible Growth: Cocoa For Good pp. 33–44<br>Environmental Impact: Acting on Climate Change p. 46<br><a href="#">Cocoa For Good</a><br><a href="#">Environmental Policy</a><br><a href="#">Supplier Code of Conduct</a>   |



| GRI Standard                                    | Reference | GRI Disclosure   | 2020 Hershey Response  |
|---|-----------|--|--|
| GRI 308: Supplier Environmental Assessment 2016 | 308-1     | New suppliers that were screened using environmental criteria        | All Hershey commercial contracts include language that requires suppliers to adhere to our Supplier Code of Conduct, which outlines our expectations with respect to environmental issues.<br>In 2020, no new suppliers were screened using environmental criteria.  |
|   | 308-2     | Negative environmental impacts in the supply chain and actions taken | In 2020, we launched our Responsible Sourcing Supplier Program, through which we are conducting further due diligence on a prioritized list of 450 suppliers. As of the end of 2020, 75 percent of those prioritized suppliers were enrolled in our program. Assessing environmental impact is part of the program's due diligence.<br><br>We monitor and investigate actors in our palm oil supply chain about whom we've received allegations of potential negative environmental impacts. Updates about these actors, descriptions of allegations raised and the status of the monitoring and investigation of these potential or actual environmental impacts can be reviewed in our <a href="#">Palm Oil Grievance Log</a> , updated monthly.<br><br>We are monitoring deforestation events in our cocoa and palm oil supply chains.<br>Responsible Growth: Cocoa For Good: Fighting Deforestation p. 43<br>Responsible Growth: Sourcing Our Key Ingredients and Materials pp. 30–32<br><br>In our palm oil supply chain, in 2020, with Airbus and Earthworm Foundation's Starling satellite-based service, we started <a href="#">monitoring the supply chains</a> of our highest-volume direct suppliers, covering about 67 percent of our palm supply chain (based on 2019 volumes). |

| GRI Standard                      | Reference | GRI Disclosure   | 2020 Hershey Response   |
|-----------------------------------|-----------|--|---|
| <b>Employment</b>                 |           |  |   |
| GRI 103: Management Approach 2016 | 103-1     | Explanation of the material topic and its Boundaries   | Our People pp. 51–58<br>The Big Picture pp. 4–7<br>Governance and Approach: Materiality p. 14<br>GRI Report: Material Issues Across Our Value Chain p. 35   |
|                                   | 103-2     | The management approach and its components   | Our People pp. 51–58<br>The Big Picture: Our Sustainability Strategy p. 7<br>Governance and Approach pp. 13–17<br><a href="#">Code of Conduct</a><br>We have human resources policies for each region in which we operate, based on variances in local laws and regulations.  |
|                                   | 103-3     | Evaluation of the management approach  | Our People pp. 51–58<br>Our HR Leadership team is responsible for reviewing all HR-related policies and our management approach annually to ensure they are fit for purpose.<br><a href="#">Corporate Governance</a>  |
| GRI 401: Employment 2016          | 401-1     | New employee hires and employee turnover   | See GRI Appendix 401-1 p. 43  |
|                                   | 401-2     | Benefits provided to full-time employees that are not provided to temporary or part-time employees | Our People: Providing a Caring Employee Experience p. 57<br><a href="#">2020 Form 10-K</a> pp. 36, 81<br>The benefits Hershey provides vary depending on location and are based, in part, on local requirements with which we comply. See 202-2 for our definition of significant locations of operation.   |
|                                   | 401-3     | Parental leave   | See GRI Appendix 401-3 p. 43<br>We adhere to all relevant laws and regulations for maternity and paternity leave globally.<br>Omission: Entire disclosure outside of the U.S.<br>Reason for Omission: Information unavailable.<br>Explanation of Omission; Outside of the U.S. individual instances of parental leave are monitored; however, they are not aggregated. There are no specific plans to aggregate this data.  |
| <b>Labor/Management Relations</b> |           |  |   |
| GRI 103: Management Approach 2016 | 103-1     | Explanation of the material topic and its Boundaries   | Our People pp. 51–58<br>The Big Picture pp. 4–7<br>Governance and Approach: Materiality p. 15<br>GRI Report: Material Issues Across Our Value Chain p. 35   |
|                                   | 103-2     | The management approach and its components   | Our People pp. 43–49<br><a href="#">Hershey Code of Conduct</a><br><a href="#">Human Rights site</a><br><a href="#">Concern Line</a><br>In our unionized environments, specific grievance procedures are documented in each of the respective collective bargaining agreements. In our non-unionized environments, similar dispute resolution mechanisms are in place for employees. Specifically, in the U.S., this includes a formal peer review program where manufacturing employees can appeal certain employment decisions to the plant manager or to a panel of their peers. |
|                                   | 103-3     | Evaluation of the management approach  | Our Human Resources department and Legal department are responsible for evaluating the management of labor/management relations.<br><a href="#">Corporate Governance</a>  |

| GRI Standard                                 | Reference | GRI Disclosure  | 2020 Hershey Response   |
|--|-----------|---|---|
| GRI 402: Labor/ Management Relations 2016    | 402-1     | Minimum notice periods regarding operational changes  | We do provide notification periods for significant changes. The exact length of time varies by the significance of the change. In unionized environments, we would meet and review with the labor representatives ahead of time. Exact times are not specified in collective bargaining agreements.   |
|  | GRI-FP3   | Percentage of working time lost due to industrial disputes, strikes and/or lockouts, by country | No working time was lost due to industrial disputes, strikes and/or lockouts in 2020.   |
| <b>Occupational Health and Safety</b>        |           |   |   |
| GRI 103: Management Approach 2016            | 103-1     | Explanation of the material topic and its Boundaries  | The Big Picture pp. 4-7<br>Governance and Approach: Materiality p. 15<br>Our People: Priority #1: Help Keep People Safe p. 53<br>GRI Report: Material Issues Across Our Value Chain p. 35   |
|  | 103-2     | The management approach and its components  | Our People: Priority #1: Help Keep People Safe p. 53<br><a href="#">Hershey Code of Conduct</a> pp. 10  |
|  | 103-3     | Evaluation of the management approach   | Our People: Priority #1: Help Keep People Safe p. 53<br><a href="#">Corporate Governance</a>  |
| GRI 403: Occupational Health and Safety 2018 | 403-1     | Occupational health and safety management system  | Our People: Priority #1: Help Keep People Safe p. 53  |
|  | 403-2     | Hazard identification, risk assessment and incident investigation                               | Hershey uses job hazard assessment and analysis tools to conduct risk assessments for employees and workers who are not employees but whose work and/or workplace is controlled by the organization. Our Environment, Health and Safety (EHS) Center of Excellence team is responsible for coordinating and overseeing the process within our manufacturing plants.<br><br>Our manufacturing employees participate and help lead the risk assessments. Results of risk assessments and corrective actions may be incorporated into Hershey's Process Operating Guidelines.<br><br>Our new EHS information management system (SAP) allows workers to report work-related hazards and hazardous situations. Workers also have access to safety work order forms and safety suggestion forms in all operations. Hazards submitted to the management system or through forms initiate the process for appropriate EHS team members to investigate the hazard, capture information and take corrective actions.<br><br>Every employee is empowered to take immediate action for people's safety regardless of role, title or responsibility.<br><br>Any incidents that occur are reported on our internal SAP database, which collects and tracks our EHS data from our sites worldwide. Incidents are reported to a supervisor and then the facility safety manager.<br><br>Once the employee has received any required treatment, the supervisor and witnesses perform a root-cause analysis so that learnings can be incorporated into our processes and improvements can be implemented into our approach. We continue to review our strategy annually and revise it based on progress and gaps identified through internal audits, surveys and investigations.<br><br><a href="#">Hershey Code of Conduct</a> |
|  | 403-3     | Occupational health services  | Our manufacturing sites conduct compliance-mandated screenings and health and wellness screenings for employees. Hershey's corporate occupational health group provides guidance on occupational health screening programs to our manufacturing sites.  |
|  | 403-4     | Worker participation, consultation, and communication on occupational health and safety         | The majority of Hershey manufacturing plants have health and safety committees that are made up of employees from across the site.<br><br>As part of our continual improvement process, we are developing guidelines for the sites to follow in order to standardize EHS committees and to maximize employee engagement on these committees.  |
|  | 403-5     | Worker training on occupational health and safety   | Our People: Priority #1: Help Keep People Safe p. 53  |

| GRI Standard                                 | Reference | GRI Disclosure  | 2020 Hershey Response   |
|--|-----------|---|---|
| GRI 403: Occupational Health and Safety 2018 | 403-6     | Promotion of worker health  | Our People: Providing a Caring Employee Experience p. 57<br>Our People: Priority #1: Help Keep People Safe p. 53  |
|  | 403-7     | Prevention and mitigation of occupational health and safety impacts directly linked by business relationships | Our People: Priority #1: Help Keep People Safe p. 53  |
|  | 403-8     | Workers covered by an occupational health and safety management system  | Our People: Priority #1: Help Keep People Safe p. 53  |
|  | 403-9     | Work-related injuries   | See GRI Appendix 403-9 p. 44<br>Our rates have been calculated on a per 200,000-hours-worked basis. We meet all regulatory record-keeping and reporting requirements for work-related injuries.<br>Our statistics include all workers who are not employees but whose work is controlled by our organization. We do not track metrics for contractors; each contractor company is responsible for gathering this information and reporting it according to local requirements.<br>Omission: a. ii, a. iv, b. c, International commercial operations<br>Reason for Omission: Confidentiality constraints.<br>Explanation of Omission: We consider the remaining requests of this indicator to be Company confidential. |
|  | 403-10    | Work-related ill health   | We had zero work-related deaths from ill health in 2020.<br>Omission: a. ii-iii, b. ii-iii, c<br>Reason for Omission: Confidentiality constraints.<br>Explanation of Omission: We consider work-related ill health to be confidential information.  |
| <b>Training and Education</b>                |           |   |   |
| GRI 103: Management Approach 2016            | 103-1     | Explanation of the material topic and its Boundaries  | The Big Picture pp. 4-7<br>Governance and Approach: Materiality p. 15<br>Our People: Providing a Caring Employee Experience pp. 57<br>GRI Report: Material Issues Across Our Value Chain p. 35  |
|  | 103-2     | The management approach and its components  | <u>2020 Form 10-K</u> pp. 8-9<br>Our People: Providing a Caring Employee Experience pp. 57<br><u>Hershey Code of Conduct</u>  |
|  | 103-3     | Evaluation of the management approach   | Our People: Providing a Caring Employee Experience pp. 57<br>Our Senior Vice President, Chief Human Resources Officer has strategic oversight over Hershey's human resources policies and talent management.<br><u>Corporate Governance</u>   |

| GRI Standard                           | Reference | GRI Disclosure   | 2020 Hershey Response  |
|--|-----------|--|--|
| GRI 404: Training and Education 2016   | 404-1     | Average hours of training per year per employee                                      | Appendix 404-1 p. 44   |
|  | 404-2     | Programs for upgrading employee skills and transition assistance programs            | <p>Hershey's Learning and Development Program provides skills and role-based training for all salaried and hourly employees. Office-based employees have access to learning from our Learning Catalog, which covers the following topical areas: leadership, professional development, finance, marketing, research and development, sales, supply chain, employment practices and workplace productivity. Each topical area is managed by a Learning Manager. In addition, role-based onboarding curricula are provided for individuals moving into key roles.</p> <p>Manufacturing-based employees are offered specific training on Lean Manufacturing, Quality, Food Safety, Environmental Health and Safety and role-based Operational Training.</p> <p>Hershey also offers a tuition-refund program to full-time U.S.-based employees in good standing who wish to pursue education that is mutually beneficial to the Company and the employee. Hershey will reimburse up to \$6,500 for allowable tuition expenses within a calendar year, less applicable federal, state and local taxes. There is no limit on the number of courses or credits within the reimbursement amount.</p> <p>Transition assistance provided for those qualified due to Job Elimination &amp; Involuntary (performance) is: severance based on years of service; OHIP or SIP payout prorated for the following year based on the month the employee exited; COBRA benefits including Company subsidy for eligible weeks of severance; six-month career transition for Director and above (Challenger Gray &amp; Christmas, Lee Hecht Harrison); three-month career transition for Senior Manager and below (Lee Hecht Harrison); 401(k); unused prorated regular vacation.</p> <p>Assistance provided to those who qualify due to Voluntary and Involuntary (conduct) is: unused prorated regular vacation; COBRA (unsubsidized); 401(k).</p> <p>Individuals who retire voluntarily do not receive outplacement assistance but will receive applicable retiree benefits, COBRA and 401(k).</p> |
|  | 404-3     | Percentage of employees receiving regular performance and career development reviews | Salaried employees receive regular performance and career-development reviews.   |
| <b>Diversity and Equal Opportunity</b> |           |  |  |
| GRI 103: Management Approach 2016      | 103-1     | Explanation of the material topic and its Boundaries                                 | Our People: Diversity, Equity, and Inclusion at Hershey p. 54<br>The Big Picture pp. 4-7<br>Governance and Approach: Materiality p. 15<br>GRI Report: Material Issues Across Our Value Chain pp. 35  |
|  | 103-2     | The management approach and its components   | Our People pp. 51-58<br>Governance and Approach: Governing Sustainability p. 14<br>Responsible Growth: Human Rights Across Our Value Chain p. 23<br>2020 Form 10-K pp. 8-9<br>Our Performance pp. 8-12<br><a href="#">Hershey Code of Conduct</a> pp. 8-9<br><a href="#">Board of Directors</a><br>We are an equal opportunity employer, as outlined in our <a href="#">Equal Employment Opportunity (EEO) Policy</a>  |
|  | 103-3     | Evaluation of the management approach  | Our People pp. 51-58<br>Our Performance pp. 8-12<br><a href="#">Equal Employment Opportunity (EEO) Policy</a><br><a href="#">Board of Directors</a><br><a href="#">Corporate Governance</a>  |

| GRI Standard                                  | Reference | GRI Disclosure   | 2020 Hershey Response  |
|---|-----------|--|--|
| GRI 405: Diversity and Equal Opportunity 2016 | 405-1     | Diversity of governance bodies and employees             | Governance and Approach: Being a Responsible and Ethical Business p. 14<br>Our Performance pp. 8-12<br>Appendix 405-1 p. 45  |
|   | 405-2     | Ratio of basic salary and remuneration of women to men   | Our People: Diversity, Equity and Inclusion at Hershey p. 54<br>Across our U.S. salaried workforce, on an aggregate basis, women earn \$1.00 for every \$1.00 men earn. For purposes of reporting gender pay equity for GRI, we consider the U.S. to be our only significant location of operations.   |
| <b>Non-Discrimination</b>                     |           |  |  |
| GRI 103: Management Approach 2016             | 103-1     | Explanation of the material topic and its Boundaries     | The Big Picture pp. 4-7<br>Governance and Approach: Materiality p. 15<br>Our People pp. 51-58<br>GRI Report: Material Issues Across Our Value Chain p. 35<br><u>Equal Employment Opportunity (EEO) Policy</u>  |
|   | 103-2     | The management approach and its components               | <u>Hershey Code of Conduct</u><br>We expect all managers to maintain a safe, respectful and inclusive climate in accordance with our Company values and behaviors. Managers are expected to promptly report any concerns or allegations of discrimination or harassment. Failure to do so may result in disciplinary action. Accordingly, all officers, Directors and employees are required to take our Discrimination and Harassment and Code of Conduct Policy training every other year. In years when the Code of Conduct training is not provided, every employee, officer and Director of our Company is required to certify that they have read the Code of Conduct and that they understand and agree to abide by its requirements. Both trainings provide in-depth information around education and awareness of, and responsiveness to, discriminatory situations.<br>In addition, we have an Inappropriate Conduct in the Workplace Policy and other similar policies that govern behavior in the workplace, to which all employees have access.<br>In 2020, employees took preventing workplace harassment training and new and enhanced anti-harassment and discrimination training will be launched in 2021 to all employees. |
|   | 103-3     | Evaluation of the management approach                    | <u>Hershey Code of Conduct</u><br><u>Equal Employment Opportunity (EEO) Policy</u><br><u>Corporate Governance</u><br>We expect all employees who feel they may have experienced or witnessed discrimination to immediately report the incident(s) to their manager, another manager, HR or the Concern Line. Vendors or contractors can use the same methods for reporting. We monitor all employee issues through our compliance-reporting measures and documentation. This monitoring helps us determine any additional training or resources that may be needed.  |
| GRI 406: Non-Discrimination 2016              | 406-1     | Incidents of discrimination and corrective actions taken | During 2020, in the U.S., Hershey did not have judicial or administrative determinations that it had committed any incidents of discrimination.<br>At our operations in countries outside of the U.S., discrimination is treated differently under legal and cultural norms. These differences create challenges in collecting specific information to constitute a response to this disclosure. Having said that, we have no record of any judicial or administrative findings of incidents of discrimination at any of our locations.  |



| GRI Standard   | Reference | GRI Disclosure   | 2020 Hershey Response   |
|--|-----------|--|---|
| <b>Freedom of Association and Collective Bargaining</b>        |           |  |   |
| GRI 103: Management Approach 2016                              | 103-1     | Explanation of the material topic and its Boundaries   | Our People pp. 51–58<br>The Big Picture pp. 4–7<br>Governance and Approach: Materiality p. 15<br>GRI Report: Material Issues Across Our Value Chain p. 35   |
|  | 103-2     | The management approach and its components   | Our People: Supporting Balance & Wellbeing, Engaging with Unions p. 58<br><a href="#">2020 Form 10-K</a> p. 8<br>Our Performance pp. 8–12   |
|  | 103-3     | Evaluation of the management approach  | Our Human Resources department and Legal department are responsible for the evaluation of the management of freedom of association and collective bargaining.<br><a href="#">Corporate Governance</a>   |
| GRI 407: Freedom of Association and Collective Bargaining 2016 | 407-1     | Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk | Hershey recognizes and respects our employees' right to freedom of association and to collective bargaining within federal and local laws and regulations. Hershey did not have operations in FY2020 in which the right to exercise freedom of association and collective bargaining were at risk.<br>We do maintain a Supplier Code of Conduct that sets forth our expectations of suppliers and contractors in regard to key business practices, including the right of employees to freely associate. To our knowledge, Hershey did not have any suppliers in FY2020 under whom the right to exercise freedom of association and collective bargaining were at risk.<br><a href="#">Supplier Code of Conduct</a> |
| <b>Child Labor</b>   |           |  |   |
| GRI 103: Management Approach 2016                              | 103-1     | Explanation of the material topic and its Boundaries   | Responsible Growth: Responsible Sourcing p. 28<br>Responsible Growth: Human Rights Across Our Value Chain p. 23<br>Responsible Growth: Cocoa For Good, Collaborating to End Child Labor p. 36<br>The Big Picture pp. 4–7<br>Governance and Approach: Material Issues p. 15<br>GRI Report: Material Issues Across Our Value Chain p. 35<br><a href="#">Cocoa For Good</a><br><a href="#">Human Rights site</a><br><a href="#">Child Labor Monitoring and Remediation System</a>  |
|  | 103-2     | The management approach and its components   | Responsible Growth: Human Rights Across Our Value Chain p. 23<br>Responsible Growth: Cocoa For Good, Collaborating to End Child Labor p.36<br>Governance and Approach: Being a Responsible and Ethical Business p. 14<br><a href="#">UNGPRF Report</a><br><a href="#">Child Labor Monitoring and Remediation System</a><br><a href="#">Human Rights site</a><br><a href="#">Supplier Code of Conduct</a><br><a href="#">Cocoa For Good</a>  |
|  | 103-3     | Evaluation of the management approach  | Responsible Growth: Human Rights Across Our Value Chain p. 23<br>Responsible Growth: Cocoa For Good, Collaborating to End Child Labor p. 36<br>Governance and Approach: Being a Responsible and Ethical Business p. 14<br><a href="#">UNGPRF Report</a><br><a href="#">Child Labor Monitoring and Remediation System</a><br><a href="#">Human Rights site</a><br><a href="#">Supplier Code of Conduct</a><br><a href="#">Cocoa For Good</a><br><a href="#">Corporate Governance</a>   |

| GRI Standard                             | Reference | GRI Disclosure   | 2020 Hershey Response   |
|--|-----------|--|---|
| GRI 408: Child Labor 2016                | 408-1     | Operations and suppliers at significant risk for incidents of child labor                | The Big Picture: Stepping Up in 2020 – Our Response to a Unique Year p. 6<br>Responsible Growth: Human Rights Across Our Value Chain p. 23<br>Responsible Growth: Cocoa For Good, Collaborating to End Child Labor p.36<br><a href="#">Child Labor Monitoring and Remediation System</a><br><a href="#">Human Rights site</a><br><a href="#">Cocoa For Good</a>   |
| <b>Forced or Compulsory Labor</b>        |           |  |   |
| GRI 103: Management Approach 2016        | 103-1     | Explanation of the material topic and its boundaries                                     | Responsible Growth: Human Rights Across Our Value Chain p. 23<br>The Big Picture pp. 4–7<br>Governance and Approach: Materiality p. 15<br>GRI Report: Material Issues Across Our Value Chain p. 35<br><a href="#">Responsible Recruitment Policy</a><br><a href="#">Statement Against Slavery and Human Trafficking</a><br><a href="#">Embedding Responsible Recruitment &amp; Employment</a><br><a href="#">Human Rights site</a>  |
|  | 103-2     | The management approach and its components   | Responsible Growth: Human Rights Across Our Value Chain p. 23<br>The Big Picture pp. 4–7<br>Governance and Approach: Materiality p. 15<br>Governance and Approach: Being a Responsible and Ethical Business p. 14<br><a href="#">UNGPRF Report</a><br><a href="#">Responsible Recruitment Policy</a><br><a href="#">Statement Against Slavery and Human Trafficking</a><br><a href="#">Embedding Responsible Recruitment &amp; Employment</a><br><a href="#">Human Rights site</a><br><a href="#">Supplier Code of Conduct</a><br><a href="#">Cocoa For Good</a><br><a href="#">Hershey’s Commitment to Responsibly Sourced Palm Oil Concern Line</a><br><a href="#">Child Labor Monitoring and Remediation System</a><br><a href="#">Palm Oil Grievance Mechanism</a><br><a href="#">Responsible Sourcing Supplier Guidebook</a> |
|  | 103-3     | Evaluation of the management approach  | Responsible Growth pp. 18–44<br><a href="#">Human Rights site</a><br><a href="#">Supplier Code of Conduct</a><br><a href="#">Statement Against Slavery and Human Trafficking</a><br><a href="#">Cocoa For Good</a><br><a href="#">Hershey’s Commitment to Responsibly Sourced Palm Oil</a>  |
| GRI 409: Forced or Compulsory Labor 2016 | 409-1     | Operations and suppliers at significant risk for incidents of forced or compulsory labor | Stepping Up in 2020—Our Response to a Unique Year p. 6<br>Responsible Growth: Human Rights Across Our Value Chain p. 23<br>Responsible Growth: Responsible Sourcing p. 28<br><a href="#">Child Labor Monitoring and Remediation System</a><br><a href="#">Human Rights site</a><br><a href="#">Cocoa For Good</a><br><a href="#">Hershey’s Commitment to Responsibly Sourced Palm Oil</a><br><a href="#">Statement Against Slavery and Human Trafficking</a><br><a href="#">Responsible Recruitment &amp; Employment Policy &amp; Program</a>   |

| GRI Standard                               | Reference | GRI Disclosure   | 2020 Hershey Response  |
|--|-----------|--|--|
| <b>Rights of Indigenous Peoples</b>        |           |  |  |
| GRI 103: Management Approach 2016          | 103-1     | Explanation of the material topic and its Boundaries           | Responsible Growth: Human Rights Across Our Value Chain p. 23<br>The Big Picture pp. 4-7<br>Governance and Approach: Materiality p. 15<br>GRI Report: Material Issues Across Our Value Chain p. 35<br><a href="#">Human Rights site</a>  |
|  | 103-2     | The management approach and its components                     | Responsible Growth: Human Rights Across Our Value Chain p. 23<br>The Big Picture pp. 4-7<br><a href="#">Human Rights site</a>  |
|  | 103-3     | Evaluation of the management approach                          | Responsible Growth: Human Rights Across Our Value Chain p. 23<br><a href="#">Human Rights site</a><br><a href="#">Corporate Governance</a>   |
| GRI 411: Rights of Indigenous Peoples 2016 | 411-1     | Incidents of violations involving rights of indigenous peoples | The Hershey Company did not identify any incidents of violations involving rights of indigenous peoples in FY2020.   |
| <b>Human Rights Assessment</b>             |           |  |  |
| GRI 103: Management Approach 2016          | 103-1     | Explanation of the material topic and its Boundaries           | The Big Picture pp. 4-7<br>Governance and Approach: Materiality p. 15<br>Responsible Growth: Human Rights Across Our Value Chain p. 23<br>Responsible Growth: Responsible Sourcing p. 28<br>GRI Report: Material Issues Across Our Value Chain p. 35<br><a href="#">Human Rights site</a><br><a href="#">Responsible Sourcing Supplier Program</a><br><a href="#">Human Rights Due Diligence</a><br><a href="#">UNGPRF Report</a>  |
|  | 103-2     | The management approach and its components                     | Responsible Growth: Human Rights Across Our Value Chain p. 23<br>Responsible Growth: Responsible Sourcing p. 28<br>Governance and Approach: Being a Responsible and Ethical Business p. 14<br><a href="#">Human Rights site</a><br><a href="#">Hershey Code of Conduct</a><br><a href="#">Supplier Code of Conduct</a><br><a href="#">Corporate Governance</a><br><a href="#">Responsible Sourcing Supplier Program</a><br><a href="#">Human Rights Due Diligence</a><br><a href="#">Compliance Complaints</a><br><a href="#">Concern Line</a><br><br>Our first Human Rights Saliency Assessment was in 2018 and was conducted in line with the UN Guiding Principles Reporting Framework (UNGPRF) with the assistance of an independent third party. It included the desk-based research and review of relevant internal policies and procedures across all of the manufacturing operations of Hershey in the U.S., Canada, Mexico, Brazil, India, China and Malaysia.<br><a href="#">UNGPRF Report</a> |

| GRI Standard                          | Reference | GRI Disclosure   | 2020 Hershey Response   |
|---------------------------------------|-----------|--|---|
| GRI 103: Management Approach 2016     | 103-3     | Evaluation of the management approach  | Responsible Growth: Human Rights Across Our Value Chain p. 23<br>Responsible Growth: Responsible Sourcing p. 28<br><a href="#">Human Rights site</a><br><a href="#">Responsible Sourcing Supplier Program</a><br><a href="#">Human Rights Due Diligence</a><br><a href="#">Corporate Governance</a><br><a href="#">Joining Forces to Protect Human Rights</a>   |
| GRI 412: Human Rights Assessment 2016 | 412-1     | Operations that have been subject to human rights reviews or impact assessments  | Responsible Growth: Human Rights Across Our Value Chain p. 23<br>Responsible Growth: Responsible Sourcing p. 28<br><a href="#">Human Rights site</a>  |
|                                       | 412-2     | Employee training on human rights policies or procedures   | Responsible Growth: Human Rights Across Our Value Chain p. 23<br><a href="#">Code of Conduct: Upholding Human Rights</a> p. 11<br><a href="#">Human Rights site</a>   |
|                                       | 412-3     | Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening | All Hershey commercial contracts include language that requires suppliers to adhere to our Supplier Code of Conduct, which outlines our expectations with respect to our salient human rights issues. In addition, our Responsible Sourcing Supplier Program requires enrolled suppliers' formal review and acknowledgment of and alignment with the code.<br><br>We also updated our Master Licensing Agreements and Chocolate World Agreements to explicitly prohibit forced labor and include a declaration and certification that cotton goods are not made with forced labor.<br><a href="#">Supplier Code of Conduct</a><br><a href="#">Human Rights site</a><br><a href="#">Corporate Governance</a> |
| <b>Local Communities</b>              |           |  |   |
| GRI 103: Management Approach 2016     | 103-1     | Explanation of the material topic and its Boundaries   | The Big Picture pp. 4–7<br>Governance and Approach: Materiality p. 15<br>Children and Youth pp. 59–63<br>Responsible Growth: Responsible Sourcing p. 28<br>Communities pp. 64–69<br>GRI Report: Material Issues Across Our Value Chain p. 35  |
|                                       | 103-2     | The management approach and its components   | Governance and Approach: Being a Responsible and Ethical Business p. 14<br>Children and Youth pp. 59–63<br>Responsible Growth pp. 18–44<br>Communities pp. 64–69  |
|                                       | 103-3     | Evaluation of the management approach  | Governance and Approach: Being a Responsible and Ethical Business p. 14<br>Children and Youth pp. 59–63<br>Responsible Growth p. 28<br>Communities pp. 64–69<br><a href="#">Corporate Governance</a>  |

| GRI Standard                             | Reference | GRI Disclosure   | 2020 Hershey Response   |
|--|-----------|--|---|
| GRI 413: Local Communities 2016          | 413-1     | Operations with local community engagement, impact assessments, and development programs | All Hershey operations have implemented local community engagement and development programs based on local communities' needs.<br>In 2020, we continued to work closely within each of our local communities to identify key focus areas for our philanthropy and key volunteering opportunities for employees.<br>Examples of local community engagement and development programs across Hershey operations and in our supply chain communities can be seen throughout our Sustainability Report.  |
|  | 413-2     | Operations with significant actual and potential negative impacts on local communities   | <a href="#">SDG Report</a><br>Hershey does not have any operations that have had an actual negative impact on local communities. We aim to mitigate any potential negative impacts from our operations on local communities. For example, our manufacturing plants in El Salto and Monterrey (Mexico), Brazil and India have been rated by the World Resources Institute's Aqueduct tool to have high risk for future water stress. More details of how we have managed these risks can be found at Environmental Impact: Protecting Water Supplies p. 49 |
| <b>Supplier Social Assessment</b>        |           |  |   |
| GRI 103: Management Approach 2016        | 103-1     | Explanation of the material topic and its Boundaries                                     | The Big Picture pp. 4–7<br>Governance and Approach: Materiality p. 15<br>Responsible Growth: Sourcing Our Key Ingredients and Materials p. 30<br>Responsible Growth: Human Rights Across Our Value Chain p. 23<br>Responsible Growth: Cocoa For Good pp. 33–44<br>GRI Report: Material Issues Across Our Value Chain p. 35  |
|  | 103-2     | The management approach and its components   | Responsible Growth p. 28<br>Governance and Approach: Being a Responsible and Ethical Business p. 14<br><a href="#">Responsible Sourcing</a><br><a href="#">Responsible Sourcing Supplier Program</a><br><a href="#">Human Rights Due Diligence</a><br><a href="#">Supplier Code of Conduct</a>  |
|  | 103-3     | Evaluation of the management approach  | Responsible Growth pp. 18–44<br><a href="#">Corporate Governance</a><br><a href="#">Responsible Sourcing</a><br><a href="#">Responsible Sourcing Supplier Program</a><br><a href="#">Human Rights Due Diligence</a><br><a href="#">Supplier Code of Conduct</a>   |
| GRI 414: Supplier Social Assessment 2016 | 414-1     | New suppliers that were screened using social criteria                                   | All Hershey commercial contracts include language that requires suppliers to adhere to our Supplier Code of Conduct, which outlines our expectations with respect to our salient human rights issues.<br>In 2020, no new suppliers were screened using social criteria.   |
|  | 414-2     | Negative social impacts in the supply chain and actions taken                            | Responsible Growth: Responsible Sourcing p. 28<br>SASB FB-PF-430a.2<br>We monitor and investigate actors in our palm oil supply chain about whom we've received allegations of potential negative social impacts. Updates about these actors, descriptions of allegations raised and the status of the monitoring and investigation of these potential or actual social impacts can be reviewed on our <a href="#">Palm Oil Grievance Log</a> , updated monthly.<br>More details available on page 31 of the Sustainability Report.                       |

| GRI Standard                             | Reference | GRI Disclosure  | 2020 Hershey Response  |
|--|-----------|---|--|
| <b>Public Policy</b>                     |           |   |  |
| GRI 103: Management Approach 2016        | 103-1     | Explanation of the material topic and its Boundaries  | The Big Picture pp. 4–7<br>Governance and Approach: Materiality p. 15<br>Governance and Approach pp. 13–17<br>GRI Report: Material Issues Across Our Value Chain p. 35<br><a href="#">Political Action Committee Annual Report 2020</a>  |
|  | 103-2     | The management approach and its components  | Governance and Approach: Secure. Transparent. Resilient. p. 16<br><a href="#">Political Action Committee Annual Report 2020</a><br><a href="#">Advocacy Expenditure Reports</a><br><a href="#">Lobbying Disclosure Act Database</a>  |
|  | 103-3     | Evaluation of the management approach   | Governance and Approach: Secure. Transparent. Resilient. p. 16<br><a href="#">Corporate Governance</a>   |
| GRI 415: Public Policy 2016              | 415-1     | Political contributions   | <a href="#">Political Action Committee Annual Report 2020</a><br><a href="#">Advocacy Expenditure Reports</a>  |
| <b>Customer Health and Safety</b>        |           |   |  |
| GRI 103: Management Approach 2016        | 103-1     | Explanation of the material topic and its Boundaries  | The Big Picture pp. 4–7<br>Governance and Approach: Materiality p. 15<br>Responsible Growth: No Compromise on Food Safety p. 21<br>GRI Report: Material Issues Across Our Value Chain p. 35  |
|  | 103-2     | The management approach and its components  | Responsible Growth: No Compromise on Food Safety p. 21<br>2020 Form 10-K<br><a href="#">Hershey Code of Conduct</a><br><a href="#">Packaging Supplier Quality Expectations Manual</a><br><a href="#">Supplier Quality Expectations Manual</a><br><a href="#">Supplier Code of Conduct</a>  |
|  | 103-3     | Evaluation of the management approach   | Responsible Growth: No Compromise on Food Safety p. 21<br><a href="#">Corporate Governance</a>   |
| GRI 416: Customer Health and Safety 2016 | 416-1     | Assessment of the health and safety impacts of product and service categories                 | To assure the safety of our products and the health of our consumers at The Hershey Company we take a science-based approach to the design, procurement, manufacturing and distribution of our products across the supply chain. One hundred percent of our products are designed and produced under a “hazard analysis and risk-based preventive controls” (HARPC) approach. The HARPC food safety and quality systems at our suppliers and manufacturing sites are verified through auditing and Global Food Safety Initiative (GFSI) certification assessments. One hundred percent of our Hershey manufacturing sites are GFSI certified. Compliance to GFSI standards assures that we are keeping pace with the latest health and safety improvements and standards for our production processes. |
|  | 416-2     | Incidents of non-compliance concerning the health and safety impacts of products and services | On a global basis, Hershey conducted no recalls of its products during 2020.   |








| GRI Standard                             | Reference | GRI Disclosure   | 2020 Hershey Response  |
|--|-----------|--|--|
| GRI 416: Customer Health and Safety 2016 | GRI-FP5   | Percentage of production volume manufactured in sites certified by an independent third party according to internationally recognized food safety management system standards.                         | Our Performance pp. 8–12<br>One hundred percent of Hershey's wholly owned facilities are GFSI certified. Globally, just over 89 percent of our suppliers (by count) were GFSI certified. Those not certified represented a very small portion of our ingredient spend, as they were either contingency suppliers required to back up our traditional suppliers or they provided low-volume specialty ingredients. Globally, 99.1 percent of our ingredients were procured from GFSI-certified Tier 1 suppliers (by spend).   |
|  | GRI-FP6   | Percentage of total sales volume of consumer products, by product category, that are lowered in saturated fat, trans fats, sodium and added sugars.  | See SASB FB-PF-260a.1  |
|  | GRI-FP7   | Percentage of total sales volume of consumer products, by product category, that contain increased nutritious ingredients like fiber, vitamins, minerals, phytochemicals or functional food additives. | See SASB FB-PF-260a.1  |
| <b>Marketing and Labelling</b>           |           |  |  |
| GRI 103: Management Approach 2016        | 103-1     | Explanation of the material topic and its boundaries   | The Big Picture pp. 4–7<br>Governance and Approach: Materiality p. 15<br>Responsible Growth: No Compromise on Food Safety p. 21<br>Responsible Growth: Marketing Responsibly p. 17<br>GRI Report: Material Issues Across Our Value Chain p. 35   |
|  | 103-2     | The management approach and its components   | Responsible Growth: No Compromise on Food Safety p. 21<br>Responsible Growth: Marketing Responsibly p. 22<br><a href="#">SmartLabel™</a><br><a href="#">Sharing What's Inside</a><br>Children's Food and Beverage Advertising Initiative: <a href="#">The Hershey Company Pledge</a>   |
|  | 103-3     | Evaluation of the management approach  | Our Consumer Relations department reviews and answers all consumer-related questions and concerns about the ingredients and labeling on our snacks. It also proactively reviews social media posts and engages with individual consumers to ensure our transparency, labeling and marketing practices align with their expectations.<br><a href="#">Corporate Governance</a>   |
| GRI 417: Marketing and Labelling 2016    | 417-1     | Requirements for product and service information and labelling   | Responsible Growth: No Compromise on Food Safety p. 21<br>Other: The U.S. Regulatory Compliance team led work throughout 2020, and will continue in 2021, to implement USDA Bioengineered Food Disclosure Standard labeling requirements. The standard requires that our products containing bioengineered ingredients carry a disclosure by January 1, 2022, and gives the option to disclose ingredients sourced from bioengineered crops. The Hershey Company will use SmartLabel™ to make these disclosures for most of our products and will make on-pack disclosures for products that do not carry a SmartLabel™ quick response code. |
|  | 417-2     | Incidents of non-compliance concerning product and service information and labelling   | There have been no material non-compliances with labeling laws or regulations.   |
|  | 417-3     | Incidents of non-compliance concerning marketing communications  | One incident in 2020 (a local government agency in China assessed a small, immaterial penalty for an alleged violation of the country's advertising law involving how Hershey executed certain on-package product claims).   |






| GRI Standard                           | Reference | GRI Disclosure  | 2020 Hershey Response  |
|--|-----------|---|--|
| <b>Customer Privacy</b>                |           |   |  |
| GRI 103: Management Approach 2016      | 103-1     | Explanation of the material topic and its Boundaries  | The Big Picture pp. 4–7<br>Governance and Approach: Materiality p. 15<br>Governance and Approach: Secure. Transparent. Resilient. p. 16<br>GRI Report: Material Issues Across Our Value Chain p. 35  |
|  | 103-2     | The management approach and its components  | Governance and Approach: Secure. Transparent. Resilient. p. 17<br><a href="#">Hershey Code of Conduct</a><br><a href="#">Hershey Website Privacy Policy</a>  |
|  | 103-3     | Evaluation of the management approach   | <a href="#">Hershey Website Privacy Policy</a><br><a href="#">Corporate Governance</a>   |
| GRI 418: Customer Privacy 2016         | 418-1     | Substantiated complaints concerning breaches of customer privacy and losses of customer data                                    | Hershey has not received any substantiated complaints concerning breaches of customer privacy.   |
| <b>Socioeconomic Compliance</b>        |           |   |  |
| GRI 103: Management Approach 2016      | 103-1     | Explanation of the material topic and its Boundaries  | The Big Picture pp. 4–7<br>Governance and Approach: Materiality p. 15<br>GRI Report: Material Issues Across Our Value Chain p. 35<br><a href="#">Hershey Code of Conduct</a>   |
|  | 103-2     | The management approach and its components  | Governance and Approach: Being a Responsible and Ethical Business p. 14<br><a href="#">Hershey Code of Conduct</a><br><a href="#">Supplier Code of Conduct</a><br><a href="#">Compliance Complaints</a><br><a href="#">Human Rights site</a> |
|  | 103-3     | Evaluation of the management approach   | <a href="#">Corporate Governance</a>   |
| GRI 419: Socioeconomic Compliance 2016 | 419-1     | Non-compliance with laws and regulations in the social and economic area  | We had no material fines or non-monetary sanctions for non-compliance with laws and/or regulations in the social and economic area.  |
| <b>Animal Welfare</b>                  |           |   |  |
| GRI 103: Management Approach 2016      | 103-1     | Explanation of the material topic and its Boundaries  | The Big Picture pp. 4–7<br>Governance and Approach: Materiality p. 15<br>GRI Report: Material Issues Across Our Value Chain p. 35<br><a href="#">Farm Animal Welfare Position</a>  |
|  | 103-2     | The management approach and its components  | <a href="#">Farm Animal Welfare Position</a>   |
|  | 103-3     | Evaluation of the management approach   | <a href="#">Farm Animal Welfare Position</a><br><a href="#">Corporate Governance</a>   |
| Animal Welfare                         | GRI-FP12  | Policies and practices on antibiotic, anti-inflammatory, hormone, and/or growth promotion treatments, by species and breed type | <a href="#">Farm Animal Welfare Position</a>   |

# Material Issues Across Our Value Chain

The following table outlines the top 11 material issues from our 2020 materiality assessment and where their impacts lie across our value chain. The definitions below are the definitions that were utilized as part of the consultation process with our stakeholders during the materiality assessment undertaken in summer 2020.

**Key**  
 High Impact ▲▲▲▲      Medium Impact ▲▲▲      Low Impact ▲

| Material Issues        | Definition  | Farmers  | Tier 1 Suppliers  | Hershey  | Customers  | Consumers  |
|------------------------|---|---|--|---|---|---|
| <b>Environmental</b>   |   |   |  |   |   |   |
| Climate Change         | Greenhouse gas (GHG) reduction and mitigation, carbon regulation, climate adaptation planning, carbon offsets, sustainable operations and transportation emissions including refrigerants, agricultural emissions, indirect emissions and climate change impacts on supply chain, especially related to agriculture. Using the Hershey brand to advocate for climate-positive policies. | ▲▲▲▲  | ▲▲   | ▲▲  | ▲   | ▲   |
| Deforestation          | Tree loss, reduction in forest areas and degradation of forest ecosystems through illegal clearing and cutting, and conversion to agriculture.  | ▲▲▲   | ▲▲   | ▲▲  | ▲   | ▲   |
| Packaging and plastics | Circular economy initiatives to reduce materials consumption related to packaging, including designing out waste, material reuse, recycling and end-of-life initiatives. Safety and quality of packaging, utilizing more sustainable packaging and alternatives to plastic.   | ▲   | ▲  | ▲▲▲   | ▲   | ▲▲  |
| <b>Social</b>          |   |   |  |   |   |   |
| Child Labor            | Eliminating child labor across the value chain, including work that deprives children of their childhood, is mentally, physically, socially or morally dangerous and interferes with their schooling.   | ▲▲▲   | ▲  | ▲   | ▲   | ▲   |
| Food safety            | Food quality and safety policies and procedures, including prevention of intentional adulteration, food safety standards and regulations, recalls, quality certifications such as GFSI, food traceability, Product Excellence Program. Evolving food safety practices with emerging food risks.   | ▲   | ▲▲   | ▲▲▲   | ▲   | ▲   |
| Forced labor           | Auditing and elimination of forced or compulsory labor in supply chain. Human trafficking, coercion, exploitive labor contract systems and debt-bondage labor. Auditing and elimination of unethical recruitment practices in the supply chain. Promoting ethical recruitment practices and protecting at-risk workers, particularly with cross-border migrant recruitment.             | ▲▲▲   | ▲▲▲  | ▲▲  | ▲   | ▲   |

| Material Issues                                 | Definition   | Farmers  | Tier 1 Suppliers  | Hershey  | Customers  | Consumers  |
|---|--|---|--|---|---|---|
| Human Rights                                    | Respect for and protection of salient human rights across the value chain, including those in relation to indigenous rights. Child labor, forced labor and human trafficking, women’s rights and empowerment, migration, indigenous rights, living wage and income, water, sanitation and hygiene as a human right, land rights/acquisition, impact of climate change on human rights, deforestation, labor relations, conditions and standards, safety and health, access to grievance mechanisms.  | ▲▲▲   | ▲▲▲  | ▲▲▲   | ▲   | ▲   |
| <b>Governance and ethics</b>                    |  |   |  |   |   |   |
| Ethical Business                                | Anti-corruption, anti-bribery, antitrust, ethical conduct and ethics training, Code of Conduct and whistleblower protection, and general compliance with all relevant laws, policies, regulations and emerging regulations, including environmental compliance. Corporate governance, Board composition, independence of Board committees and leadership, anti-takeover measures, Board and executive compensation (including CSR performance as part of individual compensation for executives). Transparency, accountability and integrity as core values for corporate reporting and all business activities and interactions. Transparency and traceability in entire supply chain. Responsible and transparent tax practices. Stakeholder engagement. | ▲▲  | ▲▲   | ▲▲▲   | ▲   | ▲   |
| <b>Economic</b>                                 |  |   |  |   |   |   |
| Business operations and supply chain resilience | Preparation for and management of risk and uncertainty. Preparedness for global risks and events through crisis management plans that provide an immediate, appropriate response, including diversification, readiness for disruption through innovation, planning for carbon transition and preparedness for increasing regulation for sustainability. Long-term work and investment to build a resilient supply chain, especially in light of COVID-19 supply-and-demand pressures. Own employee and supply chain diversity to build resilience and optimize business outcomes.  | ▲   | ▲▲   | ▲▲▲   | ▲   | ▲   |
| <b>Supply chain and Sourcing</b>                |  |   |  |   |   |   |
| Farmer livelihoods                              | Supporting farmer livelihoods through training on good business and agricultural practices, including smart farming and soil health to improve yields, working with farming communities to support young farmers, entrepreneurship, supporting a living wage through assets strengthening and resilience, ensuring food security for farmers in Hershey’s value chain. Protecting land rights, title and tenure.   | ▲▲▲   | ▲▲   | ▲▲  | ▲   | ▲   |
| Responsible Sourcing                            | Management of and adherence to Supplier Code of Conduct, supply chain transparency and disclosure, supplier audits, sustainable supply chain policies, supplier diversity, supplier due diligence, practices to ensure supply chain continuity. Sourcing of virgin materials, including pulp, paper, palm oil and sustainable cocoa in a way that supports responsible agricultural practices and sourcing from reputable certification schemes such as Fair Trade and UTZ.  | ▲▲  | ▲▲▲  | ▲▲▲   | ▲   | ▲▲  |

## Hershey's important issues

The following table outlines other important issues as determined by our 2020 materiality assessment.

| Material Issues                                      | Definition   |
|--|--|
| <b>Environmental</b>                                 |  |
| Air pollution  | Air emissions, air quality measurement, NO <sub>x</sub> , SO <sub>x</sub> and particulate matter, toxics, mercury, ammonia pollution, nitrogen compounds. Correlation with compromised defenses against COVID-19.  |
| Ecosystems and biodiversity                          | Protection of ecosystems, for example, protecting forests and areas of high conservation value; protection of species habitat, such as palm oil and orangutan habitats; sustainable agriculture, such as soil health and responsible use of fertilizer, chemicals and pesticides; biodiversity; deforestation; and land and forestry management.   |
| Energy   | Energy sourcing and conservation, energy costs and energy-efficiency measures, including proactive.  |
| Waste  | Waste management, zero waste to landfill, waste minimization (hazardous and non-hazardous), efforts to increase recycling rates at production and office facilities, proper care and disposal of hazardous waste. Food waste and loss.   |
| Water  | Water sourcing, use, conservation and recycling, in both direct operations and supply chain, including water pollution and treatment, water risk assessments, discharge and minimization of effluents and wastewater. Water use and conservation in the supply chain, particularly in areas of high water risk.  |
| <b>Social</b>  |  |
| Diversity, equity and inclusion                      | Employee, management and Board diversity and inclusion. Supplier diversity and inclusion, including gender, race, age and ethnicity, equal pay, culture of openness and inclusivity, diversity inclusion programs, non-discrimination policy and hiring of veterans. Increasing diversity for optimized resilience and business performance.   |
| Employee attraction, retention and development       | Development of people's skills, learning, talents and attributes as critical drivers of the global knowledge economy and wider economic growth.  |
| Ingredients and product transparency Labor relations | The impact that Hershey's products have on consumer nutrition, including health and wellness impacts, such as obesity and diabetes. Includes portion control, ingredients and ingredient transparency (particularly regarding artificial flavorings, sugar, salt, fat reductions, preservatives, additives) and alternative proteins. Policies and practices for communicating ingredients and nutritional information to consumers, front-of-pack.  |
| Labor relations                                      | Within Hershey and the supply chain, including consultative practices, engagement with labor unions, grievance mechanisms, notice periods and the communication of significant operational changes.  |
| Nutrition and health                                 | Targeting improved health and wellbeing outcomes through product innovation and portfolio enhancements.  |
| Racial and social injustice                          | Inequality or mistreatment resulting from discrimination, and the associated impacts on access to social, economic, health or environmental opportunities.   |
| Responsible marketing and labeling                   | Advertising and marketing campaigns appropriate for targeted age group and audience, including mindfulness of cultural norms, diversity and inclusion, equity and respect, advertising standards and advertising to children, age-appropriate marketing messages, consumer messaging that adheres to internal and industry guidelines, compliance with all marketing standards and regulations in local markets. Consumer concerns over the difference between the capacity of packaging and the volume of product it contains (slack-fill). |
| Supporting communities                               | Community relations and engagement in Hershey's direct operations, including outreach, strategic community investments (both financial and non-financial, such as the Milton Hershey School), social innovation, job creation, commerce, local investments and other indirect economic impacts in manufacturing locations.<br>Disaster response and Hershey's role in helping communities in need when disaster strikes.   |
| Women's empowerment                                  | Empowering and supporting women to achieve their full potential throughout the value chain, including gender equality, poverty eradication and inclusive economic growth for female farmers.   |
| Workplace health and safety                          | Occupational health and safety performance and policies, including safety standards (ISO 22000, OSHA), health and safety training, compliance with health and safety and OSHA regulations, safety of drivers and others in transportation roles.   |

| Material Issues                              | Definition   |
|--|--|
| <b>Governance and ethics</b>                 |  |
| Data protection and privacy                  | Compliance with data protection and privacy laws, cybersecurity, protection of consumer, business partner and employee data. Responsible use of technology in compliance with data security, customer privacy and other digital standards. |
| Emerging regulation for sustainability       | Driving sustainable business practices to stay ahead of emerging regulation and legislation for sustainability practices and reporting. Preparedness and resilience to economic risk implied by emerging regulation.                       |
| Transparent policy and lobbying              | Transparency of political contributions and lobbying efforts, including participation through industry organizations and engagement with policymakers.   |
| <b>Economic</b>                              |  |
| Consumer expectations on sustainability      | Engaging and educating consumers on impact, areas of focus, and initiatives and programs related to sustainability.  |
| Future of Retail                             | Online shopping, evolving e-commerce and digital, automated food delivery, food delivery applications and services, QR codes. Shifting consumer shopping behavior in light of COVID-19.  |
| <b>Supply chain and sourcing</b>             |  |
| Animal Welfare                               | Treatment and origin of livestock and livestock products, including feeding practices, cage-free eggs, use of antibiotics and growth/artificial hormones. Animal welfare impacts in the supply chain.                                      |
| Sustainable agriculture/regenerative farming | Farming that is environmentally sound, resilient, socially responsible and profitable for farmers, which strives for the best long-term outcomes for ecosystems, climate stability, human rights and livelihoods.                          |



# Appendix

GRI 102-8

## Hershey employees by employment contract

| Total number of Hershey employees by employment contract (permanent and temporary), by gender. | 2020 Data |        |       |
|--|-----------|--------|-------|
|  | Total     | Female | Male  |
| Total  | 16,877    | 8,125  | 8,752 |
| Permanent  | 15,437    | 7,103  | 8,334 |
| Temporary  | 1,440     | 1,022  | 418   |

| Total number of employees by employment contract (permanent and temporary), by region. | 2020 Data |           |
|--|-----------|-----------|
|  | Permanent | Temporary |
| <b>Globally</b>  | 15,437    | 1,440     |
| <b>United States</b>   | 8,970     | 468       |
| <b>Non-US</b>  | 6,467     | 972       |
| Asia   | 1,414     | 7         |
| Africa   | -         | -         |
| North America  | 861       | 3         |
| Europe   | 8         | -         |
| Latin America  | 4,184     | 962       |

| Total number of employees by employment type (full-time and part-time), by gender | 2020 Data |        |       |
|---|-----------|--------|-------|
|   | Total     | Female | Male  |
| Total   | 16,877    | 8,125  | 8,752 |
| Full-time   | 15,198    | 7,172  | 8,026 |
| Part-Time   | 1,679     | 953    | 726   |

GRI 102-13

**Member Organizations**

| Leadership & Sustainability                                  | Commerce   | Food and Manufacturing Industry Groups                                     | Ethical Sourcing & Sustainable Agriculture                    | Employee Inclusion & Engagement            | Knowledge & Innovation     |
|--|--|--|---|--|----------------------------|
| Ceres  | American Association of Importers and Exporters  | ABIAD – Brazilian Association of Food Industries                           | AIM-PROGRESS  | Business Group on Health                   | Carnegie Mellon University |
| Chief Executives for Corporate Purpose                       | ASHOCO   | ABICAB – Brazilian Chocolate, Peanut and Candies Manufacturers Association | Bonsucro  | CAHRS                                      | Institute for the Future   |
| Gold Standard Value Change Platform                          | Association of National Advertisers              | ALAIAB   | Dairy Sustainability Framework                                | DiversityInc                               | Knowledge Leaders Council  |
| Science Based Targets Network Corporate Engagement Program   | Business Council for International Understanding | American Dairy Products Institute  | Earthworm Foundation  | HR Policy Association                      | Pennovation                |
| Sustainable Brands   | Canadian Association of Importers and Exporters  | Center for Food Integrity  | Fair Trade USA  | Human Rights Campaign                      |                            |
| World Resources Institute (WRI) Corporate Consultative Group | ConMéxico  | China National Food Industry Association                                   | Innovation Center for US Dairy's Sustainability Alliance      | National Organization on Disability        |                            |
|  | Council for Better Business Bureau               | CIFTI-FICCI India  | International Cocoa Initiative                                | Network of Executive Women                 |                            |
|  | National Association of Convenience Stores       | Cocoa Merchants' Association of America                                    | North American Sustainable Palm Oil Network (NASPON)          | Paradigm for Parity                        |                            |
|  | National Confectioners Association               | Food & Consumer Products of Canada   | Rainforest Alliance   | People + Work Connect Platform (Accenture) |                            |
|  | Pennsylvania Chamber of Business and Industry    | Food and Drink Federation – FDF UK   | Responsible Labor Initiative                                  | Thurgood Marshall College Fund             |                            |
|  | World Federation of Advertisers (WFA)            | Food Information Asia (FIA)  | Roundtable on Sustainable Palm Oil (RSPO)                     |  |                            |
|  |  | ICE Intercontinental Exchange Domestic Sugar Committee                     | Sedex Information Exchange                                    |  |                            |
|  |  | ILSI Middle East and North America   | Society of Product Licensors Committed to Excellence (SPLICE) |  |                            |
|  |  | International Chewing Gum Association (ICGA)                               | Sustainable Agriculture Initiative Platform (SAI)             |  |                            |
|  |  | International Food Information Council                                     | Sustainable Dairy Partnership (SAI Platform initiative)       |  |                            |
|  |  | National Association of Manufacturers                                      | UTZ   |  |                            |
|  |  | Sweetener Users Association  | World Cocoa Foundation  |  |                            |
|  |  | University of Nebraska Allergy Center                                      |   |  |                            |

GRI 302-1

**Direct energy consumption**

| Fuels                     | Gigajoules in 2020  |
|---------------------------|---------------------|
| Biogas                    | 113,900.30          |
| Coal                      | 30,811.39           |
| Distillate fuel oil no. 2 | 6,579.37            |
| Electricity consumed      | 1,947,602.25        |
| Fuel oil no. 6            | 605.44              |
| Jet fuel                  | 77,719.74           |
| Motor gasoline            | 3,009.26            |
| Natural gas               | 2,305,162.35        |
| Propane                   | 2,107.89            |
| <b>Total</b>              | <b>4,487,497.98</b> |

GRI 304-4

**Operations near IUCN Red List Species Habitats**

| IUCN Red List species and national conservation list species with habitats in areas affected by the operations of the organization, by level of extinction risk in 2020: | Critically endangered | Endangered | Vulnerable | Near Threatened | Least Concern |
|--|-----------------------|------------|------------|-----------------|---------------|
| Pennsylvania   |                       | 1          | 1          |                 |               |
| Tennessee  |                       |            |            |                 | 1             |
| Virginia   |                       |            |            | 1               | 10            |
| Illinois   |                       | 1          |            |                 |               |
| Quebec   |                       |            | 2          |                 | 1             |
| Monterrey, MX  |                       |            |            |                 | 1             |
| Jalisco, MX  |                       | 1          | 1          |                 |               |
| Mandideep, IND   |                       |            |            |                 |               |
| Malaysia   | 1                     |            |            | 2               | 2             |
| São Roque, Brazil  |                       |            | 1          | 1               | 3             |
| <b>Totals</b>  | <b>1</b>              | <b>3</b>   | <b>5</b>   | <b>4</b>        | <b>18</b>     |

GRI 305-1-3

**Greenhouse Gas Footprint**

| Emissions   | 2020 Data    |
|---|--------------|
| <b>Total Footprint</b>                                  | 6,053,242.31 |
| Scope 1   | 147,224.02   |
| Scope 2 – Market Based                                  | 143,615.87   |
| Scope 2 – Location Based                                | 211,511.98   |
| Biogas Carbon Dioxide Emissions                         | 4,072.25     |
| Scope 3 Gross   | 5,762,402.43 |
| Category 1 – Purchased Goods and Services               | 4,834,068.01 |
| Category 2 – Capital Goods                              | N/A          |
| Category 3 – Fuel and Energy Related Activities         | 29,266.36    |
| Category 4 – Upstream Transportation and Distribution   | 428,845.52   |
| Category 5 – Waste Generated in Operations              | 7,101.68     |
| Category 6 – Business Travel                            | 10,799.73    |
| Category 7 – Employee Commuting                         | 40,489.39    |
| Category 8 – Upstream Leased Assets                     | 7,515.51     |
| Category 9 – Downstream Transportation and Distribution | 321,933.86   |
| Category 10 – Processing of Sold Products               | N/A          |
| Category 11 – Use of Sold Products                      | N/A          |
| Category 12 – End-of-Life Treatment of Sold Products    | 82,382.37    |
| Category 13 – Downstream Leased Assets                  | N/A          |
| Category 14 – Franchises                                | N/A          |
| Category 15 – Investments                               | N/A          |

GRI 401-1

**New employee hires and employee turnover**

|  | 2020 Data |         |        |        |        |        |        |        |        |        |            |        |        |         |
|--|-----------|---------|--------|--------|--------|--------|--------|--------|--------|--------|------------|--------|--------|---------|
|  | Age group |         |        |        |        |        | Gender |        | Region |        |            |        |        |         |
|  | <18       | 18-24   | 25-34  | 35-44  | 45-54  | 55+    | Male   | Female | Asia   | Africa | N. America | Europe | LAC    | Oceania |
| a. Total number and rate of new employee hires during the January 1, 2020–December 31, 2020 period | 52        | 2,031   | 1,764  | 861    | 451    | 267    | 2,402  | 3,024  | 151    | –      | 2,246      | 5      | 3,024  | –       |
|  | 65.60%    | 112.00% | 43.50% | 24.20% | 13.20% | 7.50%  | 27.70% | 37.90% | 10.70% | 0.00%  | 21.70%     | 27.50% | 61.90% | 0.00%   |
| b. Total number and rate of employee turnover during the January 1, 2020–December 31, 2020 period  | 60        | 1,519   | 1,370  | 711    | 367    | 482    | 1,937  | 2,572  | 387    | –      | 1,669      | 1      | 2,452  | –       |
|  | 75.71%    | 83.74%  | 32.31% | 19.96% | 10.70% | 13.55% | 22.30% | 32.20% | 27.54% | 0.00%  | 16.11%     | 5.50%  | 50.18% | 0.00%   |

GRI 401-3

**Parental leave**

|                                       | 2020 Data |        |      |
|---------------------------------------|-----------|--------|------|
|                                       | Total     | Female | Male |
| Entitled to parental leave            | 83        | 29     | 54   |
| Took intermittent                     | 0         | 0      | 0    |
| Took continuous                       | 57        | 24     | 33   |
| # of employees who did not elect      | 26        | 5      | 21   |
| Returned to work after parental leave | 83        | 29     | 54   |
| Return to work rate                   | 100%      | 100%   | 100% |

GRI 403-9

**Occupational health and safety**

|  | 2020 Data  | 2020 Target | % Change vs. Target | Prior Year End | % Change vs. Prior Year End |
|--|------------|-------------|---------------------|----------------|-----------------------------|
| Fatalities   | 0          | 0.00        | 0.00                | 0              | 0                           |
| The number and rate of high-consequence work-related injuries (excluding fatalities) |            |             |                     |                |                             |
| TRIR rate  | 1.45       | 1.43        | 1%                  | 1.36           | 7%                          |
| OR number of cases   | 218        |             |                     | 209.00         |                             |
| Hours worked   | 30,527,674 |             |                     | 30,840,683.00  |                             |
| DART rate  | 1.09       | 1.09        | 0%                  | 1.02           | 7%                          |
| DART number of cases   | 167        |             |                     | 157.00         |                             |
| LWDC rate  | 0.54       | 0.55        | -2%                 | 0.51           | 5%                          |
| LWDC number of cases   | 84         |             |                     | 79.00          |                             |

**Notes**

1. The Hershey Company completed 2020 with a slight increase from 2019 in all key year-over-year global metrics. COVID-19-related OSHA reportable incidents attributed 3 percent toward the increase in the global TRIR.
2. The U.S. Commercial group started off the year on a good note and was on par to achieve its target goals. However, headwinds related to overtime and COVID-19-related issues in the second half of the year caused a significant increase in incidents. Commercial had a slight improvement versus the prior year but missed its target in all key metrics.
3. International Manufacturing also saw a slight spike in recordable incidents from the previous year, however still achieved its target goals and maintained a best-in-class status in all key metric areas.
4. North America Manufacturing had a ~10 percent increase in TRIR and DART versus the previous year but managed to meet its LWD target. Due to the COVID-19 pandemic, our North American manufacturing colleagues faced unprecedented challenges of increased production activity and forced overtime, significantly increasing their wellbeing stress levels and safety and health vulnerability.
5. Auxiliary locations showed improvement in all key metrics versus the previous year and met its targets in all key metrics. COVID-19's impact on auxiliary locations was also significant as production ramped up for mask making in Building 47, HCW faced regulatory requirements on their business and TC required additional levels of procedures due to their operation schedule.
6. Safety targets for 2021 are focused on leading indicators, though these key metrics will be tracked and followed. Applying the proactive metrics of near misses will steer our sites toward achieving world-class rates.

GRI 404-1

**Average hours of training per year per employee**

| Average hours of training that the organization's employees have undertaken during the reporting period, by: i. gender; ii. employee category. | 2020 Data |        |      |
|--|-----------|--------|------|
|  | Total     | Female | Male |
| Total  | 8.2       | 6.2    | 10.0 |
| Full time  | 8.6       | 6.5    | 10.5 |
| Part time  | 3.7       | 3.8    | 3.5  |

**Note**

This captures the training hours logged through Hershey's Learning and Development Program. These hours do not account for outside team or individual training programs not offered through Hershey's centralized system.



GRI 405-1b

**Diversity of employees**

| Percentage of employees per employee category in each of the following diversity categories: |   | 2020 Data   |        |        |            |        |           |                |        |           |           |        |           |               |        |           |               |        |           |
|--|---|-------------|--------|--------|------------|--------|-----------|----------------|--------|-----------|-----------|--------|-----------|---------------|--------|-----------|---------------|--------|-----------|
|  |   | Grand Total | Gender |        | Management |        |           |                |        |           | Executive |        |           |               |        |           | Senior Leader |        |           |
|  |   |             | Female | Male   | Management |        |           | Non-Management |        |           | Executive |        |           | Non-Executive |        |           | Female        | Male   | Sub-Total |
|  |   |             |        |        | Female     | Male   | Sub-Total | Female         | Male   | Sub-Total | Female    | Male   | Sub-Total | Female        | Male   | Sub-Total |               |        |           |
| Total  |   | 48.08%      | 51.92% | 37.42% | 62.58%     | 11.70% | 49.50%    | 50.50%         | 88.30% | 27.27%    | 72.73%    | 0.07%  | 48.10%    | 51.90%        | 99.93% | 33.44%    | 66.56%        | 1.80%  |           |
| POC/ Non-POC*  | POC   | 21.38%      | 21.18% | 21.52% | 13.63%     | 13.85% | 13.77%    | 22.27%         | 22.78% | 22.56%    | 0.00%     | 28.57% | 20.00%    | 21.20%        | 21.51% | 21.38%    | 21.69%        | 9.26%  | 13.47%    |
|  | Non-POC   | 78.62%      | 78.82% | 78.48% | 86.37%     | 86.15% | 86.23%    | 77.73%         | 77.22% | 77.44%    | 100.00%   | 71.43% | 80.00%    | 78.80%        | 78.49% | 78.62%    | 78.31%        | 90.74% | 86.53%    |
| Ethnicity  | American Indian/ Alaskan Native, not Hispanic or Latino           |             |        |        |            |        |           |                |        |           |           |        |           |               |        | 0.00%     | 0.00%         | 0.00%  |           |
|  | Asian, not Hispanic or Latino                                     |             |        |        |            |        |           |                |        |           |           |        |           |               |        | 10.84%    | 3.70%         | 6.12%  |           |
|  | Black or African American, not Hispanic or Latino                 |             |        |        |            |        |           |                |        |           |           |        |           |               |        | 4.82%     | 3.09%         | 3.67%  |           |
|  | Hispanic or Latino  |             |        |        |            |        |           |                |        |           |           |        |           |               |        | 4.82%     | 2.47%         | 3.27%  |           |
|  | Native Hawaiian or Other Pacific Islander, not Hispanic or Latino |             |        |        |            |        |           |                |        |           |           |        |           |               |        | 0.00%     | 0.00%         | 0.00%  |           |
|  | Two or More Races, not Hispanic or Latino                         |             |        |        |            |        |           |                |        |           |           |        |           |               |        | 1.20%     | 0.00%         | 0.41%  |           |
|  | White, not Hispanic or Latino                                     |             |        |        |            |        |           |                |        |           |           |        |           |               |        | 78.31%    | 90.74%        | 86.53% |           |
| Age**  | Under 30 years old  | 24.23%      | 26.40% | 22.22% | 11.55%     | 4.85%  | 7.36%     | 27.89%         | 25.07% | 26.47%    | 0.00%     | 0.00%  | 0.00%     | 26.41%        | 22.24% | 24.25%    | 0.00%         | 0.00%  | 0.00%     |
|  | 30-50 years old   | 44.77%      | 43.79% | 45.67% | 67.78%     | 65.21% | 66.13%    | 41.40%         | 42.47% | 41.94%    | 33.33%    | 50.00% | 45.45%    | 43.80%        | 45.67% | 44.77%    | 66.00%        | 52.76% | 57.19%    |
|  | Over 50-year-old  | 31.00%      | 29.81% | 32.10% | 20.77%     | 29.93% | 26.51%    | 30.71%         | 32.46% | 31.59%    | 66.67%    | 50.00% | 54.55%    | 29.79%        | 32.09% | 30.98%    | 34.00%        | 47.24% | 42.81%    |

**Notes**

Management: People Leader or 2B+

Executive: Executive Committee

Senior Leader: 3B+

\*U.S. only

\*\*Globally